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A RECONSTRUCTION, USING ANTHROPOLOGICAL METHODS, OF THE SECOND ECONOMY OF SOVIET GEORGIA

Y o c h a n a n A l t m a n

This thesis is submitted to the Council for National Academic Awards
in Partial Fulfilment of the Requirements for the Degree
of Doctor of Philosophy

Centre of Occupational and Community Research,
Middlesex Polytechnic,
June, 1983.

A Reconstruction, Using Anthropological Methods, of the Second Economy of Soviet Georgia

Yochanan Altman

ABSTRACT

This study aims to explore the second economy of Soviet Georgia by reconstructing aspects of its social organisation and the workings of selected examples of second economy activity.

Since its principal research mode is participant observation, this involved living for over a year within a community of recent migrants from Soviet Georgia to Israel. This experience offered opportunities:

a) to gain access to everday behaviour in order to establish that culture's basic values, and

b) to build up detailed and cross-checkable case studies. In so doing, it aimed to exploit the resources of a living community by treating it as a data-base.

Its further aim, however, is not merely to obtain details of cases and to understand these by placing them in their cultural setting. These cases, when considered against the background of a people's mores and values, provide the building blocks which allow us to understand the wider formation of which they are a part.

The study then aims to engage in the secondary analysis of these cases in order to construct a model of Soviet Georgia's system of second economy production and distribution.

While traditional explanations focus on Georgia's natural resources as the major reason for its flourishing Second Economy, this study looks at primary cultural patterns and daily behaviour conduct which underlie the social expressions of a people. It then identifies the Social Support Network as a focus of personalised relationships in Soviet Georgia. The Social Support Network is also the power base of Second Economy activity. The way the network operates and the shape it takes determines the scope of its operations and the ability of members to function as agents in that economy.

After setting up the core values of Soviet Georgia's society and their manifestations in the Second Economy, two detailed case studies examine the structure and operation of the production and distribution of goods. These are supplemented by six accounts of crisis events which allow us a close look into the way the informal system copes with emergencies.

All of this enables a reassessment of Soviet Georgia's Second Economy, the sources of its rapid expansion and unrivalled success in the Soviet system as well as possible future developments.

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with love and thanks,

You followed me to the wilderness,
through a land that had not been sown.

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PART I

THE RESEARCH QUESTION

AND THE

METHOD OF INVESTIGATION

CHAPTER 1

INTRODUCTION TO THE RESEARCH

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1. SOVIET GEORGIA AND THE SECOND ECONOMY: THE RESEARCH QUESTION

1.1 Some Observations

"Georgians are known throughout the Soviet Union as a high-living breed . . . Socialism seems never to have taken firm root in Georgia, where money talks too loudly to suit proper Communists."

(Kaiser, 1976, p.110)

"Among other Soviets, Georgians have a reputation for paying the biggest bribes to store clerks for ***DEFITSITNY*** *goods, bidding the highest prices for used cars, renting private rooms at the old Sandunovsky baths in Moscow and banqueting like grandees on special succulent lamb shashlik flown in, with servants, on an illicitly chartered plane from Tbisili."*

(Smith, 1980, p.125-6)

"Of all the places we visited, Moscow's heavy hand seemed to fall lightest on Georgia."

(Stewart, 1969, p.105)

"All my information points to the fact that there was a going rate in those years (the sixties and early seventies in Georgia) for ministerial posts, ranging from 100,000 Rubles for the not very important post of Minister for Social Security, up to 250,000 to 300,000 Rubles for such bottomless feeding troughs as the Ministries of Trade and Light Industry. At the time, there were more people ready and able to pay several hundred thousand Rubles for a ministerial post than there were vacancies, so when a post did come up, a competition began - something very like an auction would take place behind the scenes, although the victor was not always the highest bidder. That is because the competition was not merely among the aspirants to the vacant post but also a competition among the recipients of their bribes . . ."

(Simis, 1982, p.35-36)

"The whole of Georgia knew that the only way to get into the Tbilisi Medical Institute in the sixties was either to have considerable patronage or pay 15,000 Rubles, and all were equal before this law."

(Simis, 1982, p.169)

These impressions have been argued about consistently over a long period, and shared by leading experts on Soviet economics:

"The literature on Soviet Anti-Systemic Economic Behaviour (which is roughly congruent with the term Second Economy here) is full to bursting with references to Georgians . . . It is obvious to the eye of any traveller that Georgians are considerably richer than the population of RSFSR, except perhaps in Moscow and Leningrad, where there is concentration of well-paid people and the official figures much exceed the Russian average . . . the Georgian propensity to ASEB is notorious, and a few (literary) references are enough. This rather firm conclusion - and I make bold to call it no less - has the most severe consequences for many estimates of the Soviet economy."

(Wiles, 1980)

"In form this (private activity in industry and trade) may not differ greatly from what takes place in other regions, but in Georgia it seems to have been carried out on an unparalleled scale and with unrivalled scope and daring . . . illegal private activity and corruption seems especially highly developed in the southern regions of the country: In Transcaucasia, and in Central Asia . . . however, Georgia has a reputation second to none in this respect."

(Grossman, 1977)

Along with the numerous anecdotal impressions of travellers, journalists and scholars, let us consider some official figures. It is said that Georgia had in 1972 more private cars per capita than any other of the Soviet republics (Kipnis, 1978), had the highest percentage of the population in institutions of higher education in 1970, going by break-down of nationality (with Jews being the only exception) (Hirszowicz, 1982); and an enormous number of specialists avoided

their designated job assignments, while still managing a good standard of living (Suny, 1979). Wiles (1980), estimates that 25% of Georgian GNP is black.

We cannot avoid concluding that there is remarkable unanimity of opinion among Sovietologists and Western observers, that Georgia is unrivalled in the USSR both in the level and in the sophistication of its second economy.

1.2 Some Explanations

Following that, the questions that arise are: how is it that Georgia has become the epitome of corruption in the Soviet system? or, what is it that makes Georgia a fertile ground for a flourishing second economy? and how and why does it work so successfully?

A traditional explanation highlights the natural resources of Georgia and its high output in growing quality and scarce products: in particular its winter vegetables, tobacco, flowers, fruits, honey, silk (Davitaya, 1972). And the fact that Georgia has virtually a monopoly in teas (96% of all Soviet production); citrus fruits (98% of all union produce); and wines (nicknamed 'the wine-mine'). This goes along with the popular image of the Georgian, who makes money by filling a suitcase with tangarines or carnations, and sells them on a freezing winter day in a Moscow market (Smith, 1980; Kaiser, 1976; Parsons, 1982; Wiles, 1980).

However, as Grossman notes (1977), the agricultural scene is rather distinct from the enormous private activity in industry and trade; and one cannot limit the overall boom simply to one sector of the economy. In addition, the question, of <u>how</u> does the unofficial system operate in a strictly controlled regime, with numerous bureaucratic procedures and official barriers, still remains.

Other factors mentioned are the huge tourist movement centred on the shores of the Black Sea and the mountain health resorts: some three million tourists annually (Davidashvili, 1971). As well as the relatively warm weather, which considerably reduces living costs in winter (Wiles, 1980).

Yet another factor sometimes used to explain the economic state of affairs is the traditionally strong nationalistic tendencies, which work in both directions: Georgians attempt to reject directives from Moscow[2] (the official, state-owned economy is, of course, associated with the Gosplan); whilst Moscow is somewhat reluctant to impose its 'Russification' policy and allows the Republic considerable latitude in the running of its internal affairs (Kazemzadeh, 1979; Kipnis, 1978; Suny, 1979; Wiles, 1980).

1.3 Another Dimension - the Philosophy behind this Study

While traditionally, Soviet Georgia's flourishing second economy has been the preoccupation of economists or political scientists, I agree with Wiles (1980) that in order to understand the issue in question, one should look into the fundamentals of the culture: to the individuals concerned themselves, employing person-centred methods of research through personal involvement. It is only by closely observing a community's daily routine, by assessing the beliefs and values of a people, by looking at actual behaviour in particular situations, that a working model of a society and its economic way of life can be established. This is a process which anthropologists have termed participant observation. There is really nothing revolutionary in the idea - possibly any traveller to Georgia grasps the fundamental differences in the atmosphere and daily conduct, as compared with other parts of the Soviet Union[3]; yet it is a novelty: the concept and its methodology have never previously been employed in the context of the workings of a second economy.

There are then a number of questions that arise when we come to consider the role of Soviet Georgia within the overall setting of the Soviet Union. Firstly, if Soviet Georgia is indeed different from other Soviet republics, on what bases do these differences spring from? If, as observers appear to insist, there is to be found in Georgia a distinctive culture that "is much closer to the Mediterranean world than to Moscow" (Smith, 1980), then how does this culture 'work' in its dealings with a Moscow-based and controlled bureaucracy? And if, as we believe, there is a flourishing second economy in Georgia, how does the operation of this economy relate both to the

culture in which it is set, and to the rigidities of the formal system - the first economy?

In short, what I am primarily concerned with in this thesis is to provide an understanding of the nature, and some indication of the extent of the second economy in Soviet Georgia, the processes by which it operates and the cultural bases on which it depends. In doing so, I follow a truism of anthropology - that an understanding of economic phenomena cannot be achieved if these are separated from their cultural milieu (eg. Douglas and Isherwood, 1980).

In this thesis I will concentrate on the period of the 1960's and 1970's, roughly till about the fall of Mzhavanadze - the deposed first secretary in 1972: a move that had political repercussions which extended right throughout the Republic, and which provides a suitable demarcation point.

2. SOVIET GEORGIA - A GENERAL OVERVIEW

Georgia[4] is one of the fifteen republics comprising the Soviet Union. It occupies an area of about 70,000 sq. km. (26,757 sq. miles) and lies in the Central and Western Transcaucasia. To the West, it borders the shores of the Black Sea, and to the North rise the Greater Caucasus mountains. The South is also mountainous (more than 80% of its territory is covered by mountains and hills). To the East lies the Azerbaijani plain.

Georgia's bordering neighbours are the RSFSR, Armenian SSR, Azerbaijan SSR, and Turkey. It contains two autonomous Soviet Socialist Republics: the Abkhaz (capital: Sukhumi) and the Adjarian (capital: Batumi). There is also one Autonomous Region: the South Ossetian (capital: Tskhinvali). The Republic's capital is Tbilisi, which has enjoyed this role for over 1500 years.

2.1 History - A Brief Outline

While tradition relates the Georgians back to the biblical Japhet, it is generally accepted that the early inhabitants of the Caucasus were connected with the Central Asian Hittites and that there were strong Semitic influences. At the time of Alexander the Great the first Georgian dynasty was set up (4th Century BC), to which period the written Georgian language can be first traced.[5]

The first century AD saw the whole area come under Roman influence through which Christianity was introduced - the Georgians were amongst the first in the region to accept it (4th and 5th Centuries).

It was not until the 11th Century, however, that Georgia became a unified kingdom and an important regional power. A century of a strong Georgian empire began, with borders on both the Black and Caspian Seas. It was a period of cultural expansion, too, in which Rustaveli's immortal saga 'The Knight in the Tiger's Skin' was written. It is a period on which the nation's historical memory is strongly centred, and is continually referred to.

In the following centuries the Georgian kingdom was torn to pieces as much by inner rivalry and local interests as by invading forces: Persians, Mongols, Ottomans, Arabs, Russians. These were to blend the Georgian people of the region into a unique race with a distinctive culture. Gradually the Caucasus came under increasing Turkish and Russian influences. Finally, King George XII submitted his Kingdom to Russian rule, at the turn of the 19th Century. This was followed by a process of gradual incorporation into the Greater Russian Empire. In 1921 Georgia was forced into the Soviet Union after a brief period of independence (1918-1921), first as part of the Transcaucasian federation, and later as an independent republic.

2.2 The People

According to the last Census, in 1979, Georgia houses just over 5,000,000 people, splitting evenly between urban and rural populations. The native Georgians make up a clear majority (some 70%), with Armenians, Russians and Azeris the largest minorities (9%, 7.5% and 5% respectively). The Jewish minority, once some 1.5% of the population (up to the beginning of the 1970's), has practically halved as a result of the mass emigration of the last decade.

There are tensions between the different ethnic groups, especially as the Georgian majority tries to impose its hegemony and mores on the Republic's minorities. Armenians are traditionally the most hated element (Elyashvili, 1975; Kazemzadeh, 1979); and recently (1978) the Abkhaz minority issued a formal request asking to be detached from the Georgian Republic and joined up in the neighbouring RSFSR. Georgia is possibly the only Republic where Russians do not occupy the dominant positions in the political structure, the education system, or the economy (Parsons, 1982; Freidgut, 1974; Simis, 1982). Ethnic mixing (by inter-marriage) between the Georgians and others is almost nil (Peters, 1981). All these factors serve to foster the Georgian national identity, stressing local patriotism and rejecting alien cultures.

Georgians are forced to live in close-knit communities, as nearly 80% of the land is mountainous and only 40% of the land area is suitable for cultivation. The land under tillage is four times more densely

inhabited than the USSR average (Davitaya, 1972) and the majority of the population is concentrated in the valleys, which occupy only 13% of the territory (Gegeshidze, 1974).

Towns are growing fast, attracting not only rural dwellers, but also non-Georgians. Tbilisi in particular has a long standing tradition of a cosmopolitan centre. Georgians, however, stick to Georgia. Only 90,000 of them (in 1970) were estimated to live in other parts of the USSR; possibly the lowest incidence of ethnic dispersion in the Soviet Union (Parsons, 1982).

The standard of living, relative to other Soviet republics, is high, and is probably the highest in the whole of the USSR, aggregating primary and second economy incomes together (Wiles, 1980). There are important pointers to this such as Georgia having the highest number of cars and physicians per capita; a saving account average twice the national average (though the 'official' GNP showed a very low growth rate). Yet the most recent reports indicate that today even in Georgia certain items (in particular meats, butter, grains) are rationed and Georgians are finding it increasingly difficult to afford the soaring black market prices.

2.3 The Economy

Georgia is the land of 'the Golden Fleece', blessed with numerous natural resources. In the words of St. George (1973): "It is hard to imagine a piece of land more richly endowed by nature" (p.204). Resources include marble, peat, zinc, coal, iron, oil and particularly manganese. But Georgia's reputation is highest in respect of food production, which is nearly 45% of the total output and is the main source of employment (Schroeder-Greenslade, 1980; Peters, 1981). Recreational facilities for tourists and holiday-makers in the Black Sea and mountain areas provide a further major money earner. Georgia enjoys a monopoly in citrus fruits: 98% of the total production of the USSR (Davidashvili, 1971); in teas (96%) and in table wines, which were praised by Homer over 2,000 years ago (Peters, 1981). But it is also a major source of high quality tobacco, vegetables (especially winter vegetables), fruits, flowers, silk.

While this study does not deal with the second economy of the agricultural sector, it is a well established fact that this is a major contributor to the flourishing informal economy. The Georgian who packs his suitcases with tangerines, or the season's flowers, to sell them in frozen Moscow or Leningrad, is not just a popular stereotype. The reality is sustained by the dense air traffic between Georgia's major towns and other republics[6], which has resulted in a waiting list of two weeks on average - a fact disclosed not only by my informants, but also by the London office of Aeroflot.

Georgian recreation resorts are famous throughout the Soviet Union and beyond. There were more than 3,000,000 tourists in 1969 (Davidashvili, 1971). Among the Black Sea visitors are many of the Soviet leaders (Maclean, 1980) (Krushchev was arrested there, whilst on vacation), and the health spas of Borzomi[7] and Zkhaltubo are renowned. This massive traffic should be another contributor to the highly successful second economy.[8]

Georgia is also well industrialized. It produces steel, pig iron and rolled metal - it stood in third place in the Union in metallurgical production in 1970 (Davitaya, 1972). Its hydro-electric power potential is far beyond its current needs. In Batumi there are oil refineries whilst Georgia produces agricultural machinery and as much as one-third of the all-Union production of locomotives (Davidashvili, 1971). It has a developed chemical and pharmaceutical industry. About one-eight of the total workforce was employed in the heavy industry in 1975 (Schroeder-Greenslade, 1980).

In light industry one should mention, in particular, footwear[9] (Davidashvili, 1971) food preservations and fabrics (Davitaya, 1972). Light industry accounted for about a quarter of all employees in 1975 (Schroeder-Greenslade, 1980).

One of the strong characteristics of Georgian economy is that a high proportion of it (mainly in the agricultural sector) is conducted in private. That is to say, it is conducted privately with official sanction - to distinguish it from unofficial, second economy activity. In 1975 this sector accounted for about two-fifths of agricultural

employment and was responsible for almost half of agricultural produce; it accounted for one-eighth of farmed land and for over half the livestock herds. The private sector produced 64% of the meat, 54% of the milk, 43% of the eggs and 46% of the wool. It also supplied 64% of the fruits and 51% of the vegetables in Georgian production. In 1978, 41% of urban housing was privately owned in Georgia. All these figures are high and above the average for the USSR - the highest private profile for any republic (Schroeder-Greenslade, 1980).

This large and successful private sector necessarily makes the seepage of resources from the public sector into private hands much easier. After all, as Wiles (1980) indicates, "it is difficult to distinguish a private pig from a non-private pig and the pig itself can't care less about where it comes from."

2.4 Georgia under Soviet Rule

In 1921, after enjoying a short period of independence (1918-1921) as a Social Democratic Republic, Georgia was 'freed' by the 11th Red Army, and since then has been part of the USSR,[10] one of fifteen republics in the Union.

The first Soviet years in Georgia saw a rapid economic development accompanied by the retention of much of the country's cultural autonomy. Yet an underground resistance movement existed, and an attempt to overthrow the regime was made in 1924. The church was a traditional opponent of communism and its leadership was arrested after making an international appeal for help against religious persecution.

The 1930's and 1940's saw two Georgians standing at the highest pinnacles of power within the Soviet system - Stalin and Beria. Both leaned heavily on Georgia in a reign of terror. During their time, forced collectivization changed the foundations of the domestic economy dramatically and many of the leading figures in Georgian Bolshevism and the intellectual elite were liquidated, some experiencing show trials, some not. Yet it is symptomatic that once Stalin was denounced by Khrushchev at the 20th Party Congress (1956), he at once became a national symbol and still is to this day.[11]

In the Great Patriotic War - the Soviet term for World War II - Georgia, though under threat of invasion from the Germans, stayed intact. And, as with other regions, Georgians were enlisted in the Forces en masse and fought bravely.[12] It was a Georgian who flew the Red Flag over the Reichstag: a symbol of Soviet victory.

The early 1950's were characterized by a bitter power struggle over supremacy in the Caucasus and Georgia, with Beria ('the butcher of Georgia') fighting fiercely to retain his position. He fell in June 1953, and was replaced by one of Khrushchev's men, Mzhavanadze, who was to rule for nineteen years.

2.5 The Last Twenty Years: the Sixties and Seventies in Georgia

The 1960's and early 1970's are the chosen period of this research project, as this covers the span of time my informants were active economically and otherwise; and most of the information generated relates to this period.

The 1960's and early 1970's were characterized by rapid economic growth, most of it being unofficial, however, and therefore not recorded. Official figures ostensibly point to a poor economic performance and a less than average standard of living (Peters, 1981; Shroeder-Greenslade, 1980; Suny, 1979) - both claims are the reverse of the truth if the whole economic picture is considered. Under Mzhavanadze, the second economy thrived. Stories spread about underground millionaires, of which the most famous was Otari Lazishvili who - according to the legend - had his bath taps made of pure gold. Even the church hierarchy was corrupt.

However, one way or another, the 1960's were a period of marked prosperity: many rural areas were introduced to electricity, running water and sewerage; transportation was improved, and, at the start of the 1970's, Georgia had more cars and better housing per capita than any other Soviet republic. It also had the highest density of doctors and academic professionals in general.

In 1972, the tide turned for many: Mzhavanadze was dismissed and replaced by Shevardnadze, who had a reputation for being an honest and tough person. Apparently he decided to bring an end to the prevalent state of affairs, and mass purges began: hundreds of people were sacked from top-level positions and some 25,000 were arrested. It took some time for the new regime to stabilize, with both sides of the dispute recognizing reality. Shevardnadze at last understood that there was no way of uprooting the second economy (there had been some bombs, and a fire had almost destroyed the Tbilisi Opera House, which could have been an attempt on his life - a warning not to take things too far). On the other hand, much of the most extravagant forms of corruption are no longer to be found these days in Georgia. Thus, higher education and the Tbilisi Medical School, in particular, are no longer a short path to fortune through 'admission fees' and false diplomas. The same is true with the Church, which was known to be a special interest of Tamara Mzhavanadze, the First Secretary's wife (nicknamed Tsarina Tamara, after the legendary queen of the 12th Century Georgian Empire). And it is probable that ministerial posts cannot be bought for money today, and that underground millionaires do not indulge in conspicuous consumption as flagrantly as before.

The 1960's and 1970's also saw a steady increase in national revival: a 're-nationalization' process (Suny, 1979). This tendency to 'Georgianization' of the country expressed itself in various ways. For instance, there was discrimination against minority ethnic groups in higher education, from which not only the Armenians (a traditionally hated element in Georgia) particularly suffered but also the Abkhazians and - the Russians! Georgia is the only Republic where Russians are not automatically the better educated (Parsons, 1982). Above all, there was the campaign against the Moscow initiative to introduce Russian at the expense of Georgian, which came to a climax in 1978, when some 30,000 demonstrated in Tbilisi.

In the 1960's and 1970's some 99% of all Georgians regarded Georgian as their native tongue, and recently only 25% claimed fluency in Russian; but this is an improvement over past decades (Parsons, 1982). Georgians rarely inter-marry. In 1969, it was estimated that 93.5% of Georgians married other Georgians (Peters, 1981).

In 1972 a society for the protection of Georgian historic monuments was founded, the first of its kind in the USSR. And in 1976/1977 a small group of nationalists, headed by Zviad Gamasakhurdia, the son of a famous Georgian novelist, made a statement "welcoming military intervention by the United States to aid Georgia's secession from the Soviet Union." (David Shipler, The New York Times, 24th July, 1978). Earlier in the 1960's the fifteen hundredth anniversary of Tbilisi and the eight hundredth anniversary of Shota Rustaveli's birth were given much attention and celebrated with exaggerated grandeur.

Present intelligence from Georgia talks of a decline in economic prosperity. Some consumer goods are rationed, including meat, eggs and butter. Black market prices have soared and fewer can afford to buy. Regarding nationalistic tendencies, they are still strong. In March 1981, two mass demonstrations were staged in Tbilisi against Russification attempts; and last November, the same Zviad Gamasakhurdia protested to Andropov about cultural suppression of Georgians in Azerbaijan (Tavisuplebi's Tribune (40), May 1983).

3. THE SECOND ECONOMY AS AN EMERGING FIELD OF STUDY

3.1 A Note on Names and Terminology

The emerging area of research, which I refer to in this study as 'the second economy', is known under various names - a reflection on its diverse origins and immature state of development. Other common names include: the irregular economy, the hidden economy, the shadow economy, the black economy, the underground economy, the subterranean economy, the informal economy. While there were several attempts to classify them in some meaningful pattern (eg: Gershuny and Pahl, 1980; Ditton, 1979; South, 1982; Henry, 1981; Gaudin and Schiray, 1982; Mars, 1982), these have tended to be somewhat personal and specific[13] (South, 1982). So it is left to the investigator concerned to evolve a suitable terminology and framework of meanings.

When considering an appropriate name, I ruled out the hidden, underground, subterranean and shadow economies - because they do not correspond well to the Georgian reality. There is nothing really hidden about that part of Georgian economy, it certainly is neither underground nor subterranean; and there is some doubt as to who actually shadows who - is the 'first' economy shadowing the 'second', or is it the other way round? - as some of this research evidence suggests. The black economy seems to be a somewhat-misleading title, especially after a whole spectrum of 'colours' were introduced for the analysis of the Soviet market (Katsenelinboigen, 1977, 1978). And there is nothing peculiarly esoteric or occult about that economy. To the contrary, all evidence points towards its being a well-organized system, with wide social approval.

So I was left with two concepts that fitted the case better: the informal economy and the second economy. I did incline to favour the former, because it captures one essential difference: the variant of formality versus informality. But I declined it for the latter, mainly because the second economy is the more established term used in reference to the Soviet economy,[14] and eliminates certain ethical qualms - is value neutral as far as is humanly possible.

3.2 A Working Definition of the 'Second Economy'

Throughout this study the standard term used will be **THE SECOND ECONOMY.** In defining it I follow Grossman (1977) and Mars (1982) with some amendments.

The second economy comprises all movements of resources that fulfil both following tests:

(a) are directly or indirectly for private gain; and

(b) are in some significant respects in knowing contravention of either the letter or the spirit of the law.

While Grossman suggests that the fulfilment of either of these conditions is sufficient for an activity to be designated as part of the second economy, here we are concerned only with the illicit activities, and therefore exclude the private legal sector, which falls within Grossman's original statement. To this degree, my definition is more restrictive. On the other hand, this definition is more inclusive, by accommodating any transaction which serves the said ends. It is the totality of transactions (unrecorded or recorded under misleading headings) that comprise a parallel economic order, which can rightfully be described as a system, running alongside the 'first', official economy.

The definition also allows for indirect as well as direct private gain. This is important, for in the Georgian reality it is part of social mores to solicit for nepotistic advantage, and one's commitment reaches far beyond the nuclear family. This is in accordance with the philosophy of this study, which stresses the significance of broad cultural factors in shaping an informal economy, or, indeed, any economy.

Finally, to avoid any unforeseen omissions, the definition of 'law' was enlarged to include violations against the spirit of the law - to accommodate such well-known phenomena as, for example, the 'Tolkach' - the fixer who uses informal means to reach legitimate ends. While he may not intentionally be breaking the law, he nevertheless knowingly

uses ways which are in clear breach of formal regulations.[15] As such, these acts fall within what is defined here as 'the second economy'.

3.3 The Scope of the Field: Studies on the Second Economy

A recent bibliography on materials pertinent to the second economy lists over thirty books published in the last decade with direct reference to this subject; and more than a hundred other publications (The Canadian Network on the Informal Economy, 1982). And South's (1982) bibliography is even more comprehensive.

Studies of the second economy are now accepted as providing not only knowledge in their own right, but also useful insights into a whole range of practical activities - from the informal workings of industrial relations systems (Mars and Mitchell, 1976) and studies of workers self-control (Henry, 1978), through psychological implications of pilferage (Zeitlin, 1971) to its real influence on political perceptions and government welfare policies (Cornford, 1980; OCPU, 1978). There is, in addition, a growing body of comparative material now surfacing from different countries, some of which are macro-estimates and calculations of extent (Gutmann, 1976; Feige, 1979); some are attempts at micro studies of particular aspects or locations (Ferman et al, 1978), and some attempts at articulating both levels (Henry, 1978; Gershuny, 1978; Gershuny & Pahl, 1980).

Illicit informal economic activity is as old as economic activity itself. Wherever there have been social organisations and legitimate, formalised economic relations, there were also to be found the bending of rules. One of the most fascinating accounts (and a most detailed one) of earlier times, is the 'Merchant of Prato' (Origo, 1963) who lived in this Italian town and fiddled the tax authorities in the 14th century.

More systematic sociological studies started to tackle this issue only in the last two decades, and it was not until very recently that the idea of a 'second' <u>parallel</u> economic <u>system</u>, running

alongside the formal 'first' economy and with the characteristics of complex relations matrices has clearly emerged. (First formulated at the Outer Circle Policy Unit paper, 1978).

Henry (1981) put it well when suggesting:

> How can we look at marriage and the family, for example, and ignore extra-marital affairs which may maintain the very existence of many families? How can we estimate the real economic activity of a country when as much as one fifth of its work force may have unregistered second jobs or be involved in informal trading networks? How can we judge the effectiveness of our health care services when the bulk of health care takes place in the family and local community? We need to know how these informal institutions operate, and also how they relate to their formal counterparts.
>
> (Henry, 1981, p.1. Also quoted in Mars,1982)

Mars (1982) identifies three types of economies which correspond to a typology of development: the industrialised societies versus the developing countires; and to the nature of market-government relations: western 'market' economies (eg Western Europe and North America) versus centrally controlled 'Soviet-type' economies, in particular those of the Soviet Union and the Eastern Block.

Each of these economies has, it can be argued, its own peculiar second economy and these are not easily comparable. Firstly, because of different standings on some key economic questions, like: employment - Unemployment in the Socialist democracies is ruled out on the basis of ideological reasons while in Capitalist economies it was always thought to be a necessary pitfall to balance industrial relations. Or Prices - in the Western tradition these should be largely left to the 'market forces'. In the communist countries these are firmly fixed and centrally controlled as 'profits' bear a totally different meaning than in the West.

Secondly, because the nature of the work organisation, the pay structure, the law (many economic crimes in the Soviet Union would be prized for entrepreneuriality in the United States) are so vastly different. Last (but not least) because the social organisation of a society, the beliefs and values of a people and the do's and dont's of a culture, are a major contributor - as will be argued in this thesis - to the shape a second economy will take.

It has been suggested that the Soviet Union - the epitome of a centrally controlled, command economy - is characterised by an extensive second economy and that this represents a disproportionate percentage of its total economic activity (eg OCPU, 1978). We have, however, no empirically based micro studies for the Soviet Union, so far, and the present study is therefore a pioneering venture on the Soviet scene. And while there were previous attempts to utilize similar sources - notably the Harvard project in the 1950s and, more recently, Gur Ofer and his team (1979, 1980), none, however, have used the concepts and methods of social anthropology, nor related such findings to the nucleus of culture and social organisation, which are at heart of the present study.

NOTES

CHAPTER 1

1. Defitsitny = Deficit ie. goods in shortage.

2. As manifested in the 'language battles' between the Georgian and the Russian Languages in the 1970's and the beginning of the 1980's (Peters, 1981).

3. "Georgia: I was on my way to Georgia that morning. And when we landed in Tbilisi, the Capital, one hour later, I knew I'd definitely left Russia behind. My guide was already out on the tarmac with a car to meet me, the bar was miraculously open in the arrival lounge, and the first thing she did was to offer me a glass of Georgian champagne before we set off for the city" (Hone, 1982).

   "Life in Tbilisi, the Georgian Capital has a Latin flavour all its own. In its people, its mood and mores, it is much closer to the Mediterranean than to Moscow" (Smith, 1980, p.125).

   "Immediately the fact that we were now in Georgia was brought home by the appearance of a party of young Georgians who had come out for the day from Tbilisi" (Maclean, 1980, p.38, part II).

   "It is this psychological element - the desire to ensure the survival of their cultures, and a certain Middle-Eastern style of art, food, manners and attitudes, that characterizes the Armenians, the Georgians and the Azerbaijanis, setting them apart from the Russians" (Kazemzadeh, 1979, p.1).

4. So called in the West, possibly deriving from the Persian word 'Gurgistan', and not, as is often thought, from St. George, the patron saint of Georgia. (Lang, 1962)

5. The Georgian language, one of the oldest spoken, being very different from the neighbouring languages, is a source of traditional national pride.

6. For instance, there are two flights a day of the largest size Soviet jets between Tbilisi and Tashkent (the Capital of Uzbekistan and the fourth largest Soviet City), whereas there is usually only one daily and sometimes no flight, from Tashkent to other republics.

7. My informants used to particularly praise the Borzomi mineral waters which are used as a medicine for stomach upsets and headaches, and as a remedy for hangovers.

8. My main informant in the Biscuit Factory Case (Chapter 6) made close contacts with highly ranked KGB officials, who used to come on vacation to Georgia. Luckily for him, he never had to use these connections.

9. This, however, does not exclude the exceeding demand for foreign produced shoes and boots - one of the second economy's most flourishing activities. (See Rules of Informal Trade in Chapter 7).

10. Technically, under Article 72 of the (1977) Soviet Constitution, "each Union Republic retains the right to freely secede from the USSR."

11. It is a bitter irony that more than a hundred lives were lost and several hundreds were wounded and exiled in pro-Stalin demonstrations in Tbilisi in March 1956.

12. It is interesting that the Germans, trusting anti-Russian feelings, attempted to form a Georgian legion.

13. As in different places and at different times the definition of legality is sometimes in considerable variance, necessarily the illegal acts would be defined and termed differently.

14. The most recent international conference about the topic was labelled 'The Second Economy of the USSR' - in the Kennan Institute, Washington, 1980.

15. Grossman, elsewhere (1983) specifies this aspect as 'Shadow Economy'.

CHAPTER 2

METHODOLOGY

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1. INTRODUCTION

The method used in this study is innovative. Firstly it involved detailed participant observation within a living community, carried out to reconstruct aspects of its recent past. In this respect there have been several well accepted precedents. It is, however, in the adaptation of this method to reconstructed aspects of second economy activity that this study can claim to break new ground.

1.1 Two Pioneering Projects

Two projects deserve particular mention as pioneering in this field. These are the Harvard Project on the Soviet Social System, carried out during the early fifties, and the Columbia University Research in Contemporary Cultures, which preceded it by a few years (1947-53). Both were massive in the utilization of resources and the scope of their concerns.

The Harvard Project, over four years, interviewed 329 individuals for two to four days each, and administered 2,718 general questionnaires plus a further 9,748 questionnaires on special topics. They also conducted some 60 detailed psychological tests and issued 48 manuscripts on specific topics (Bauer et al, 1964). To this day, these comprise the major source of systematic social data on the Soviet system, drawn from the actual experiences of living individuals operating within the system. The Columbia Research Project employed 120 persons over four years to do an intensive study of seven cultures. Though it depended heavily on exploitation of key informants (in the anthropological tradition), it also used a variety of documented data, ranging from written and oral literature to film reviews, children's diaries and dream analysis (Mead, 1953). Both projects sprang out of the post World War II period - when cultures became inaccessible for direct observation and study or, worse than that, simply ceased to exist (eg. the East European Jewish Shtetl). Yet is was considered a high priority to study these cultures, either with a view to gaining or increasing information on a hostile country, or, attempting to preserve the memory of almost extinct cultures for future generations.

Similar to the Columbia Project, but with a heavy linguistic bias, was the Language and Culture Atlas of Ashkenazi Jewry compiled at Columbia University in the early sixties (Weinreich, 1962).

Reconstructive research is also fundamental to Oral History (eg. the Oxford History Workshops Series: Samuel, 1975) and indeed, as Goldberg (1981) comments, is an indivisible part of the traditional ethnographer's fieldwork routine, though to a lesser degree.

1.2 The Choice of Methodology

This research, however, seeks to add a fresh aspect to contemporary studies on cultures at a distance. It focuses on the 'second economy' of a section of Soviet society, which is a novelty in itself. But, more importantly, it stresses the importance of a cultural focus in studying the phenomenon of the 'second economy'.

The view of this study, firmly underlined in its methodology, is that a central aspect of life - such as the role the second economy plays in Soviet Georgian society - should be studied and understood as integral to other aspects of life in contemporary Georgia. But by exploring the entirety of Georgian culture, and its way of life, we expect to produce a comprehensive insight into the origins, process and meaning of that second economy.

While such an enquiry mounts some considerable difficulties (which will be shortly discussed), especially since it is based on emigrant experience, nevertheless it offers a unique opportunity to gain an unconventional insight into important dimensions of Soviet affairs, hardly ever exposed in normal circumstances. Not only is this line of inquiry a unique opportunity for a comprehensive insight into people who actually live and operate in the Soviet system, but, arguably, it is probably also the best approach. Only by being removed from the actual scene without the threat of exposure and victimization, can a person honestly contribute a frank and revealing account of his deeds. This does not merely reinforce the credibility of information provided by informants, but has an equally important ethical advantage for the researcher. The researcher is not inhibited by fears of potential repercussions for informants as a result of his study. For additional

reasons relating specifically to the study of Soviet Georgia - see later in this chapter.

Furthermore, to follow a point made by Weinreich (1962) in another context, it is not good enough to learn from directed and censored Soviet publications about second economy activities. These merely indicate events which have occurred. One cannot establish where events do <u>not</u> happen - what Weinreich calls 'negative data' - and why. This crucial information can be established only by investigating living sources: informants who operate in the system. This, then, is a unique contribution which "allows the Sovietologist to transform himself from an archaeologist into an ethnographer. His study becomes alive. Through investigations . . . he can collect directly data which is not available otherwise" (Douchene, 1980, p.51).

Furthermore, to do social research on people's behaviour, particularly when it comes to sensitive and controversial issues, requires a certain public atmosphere - a certain regime. This study could not have taken place in the Soviet Union because there was no chance nor reason to expect even minimal co-operation. Indeed, it takes some time for immigrants to the free world to be considered 'ripe' for social investigation in the Western tradition.

2. PREPARING FOR THE FIELD

2.1 General Preparations

After the research application had been accepted there were three intensive months of preparations prior to my departure to Israel. These included reading about Soviet Georgia and the Soviet economy, and in particular on anthropological field methods and participant observation. While I was acquainted with the concept of a community and the role of a social investigator within the community from my previous experience as youth worker and organisational psychologist, I had not formally trained as an ethnographer, and that seemed a gap to be filled. I also took several lessons in Georgian, acquiring the very basics of the language and some key words and phrases. In the event, most of my conversations were carried out in Ivrit - Modern Hebrew.

2.2 Choosing the Fieldwork Site

At a very early stage, I had enough data available to decide upon my fieldwork site. Ashkelon seemed to be most suitable on three accounts:

(a) Ashkelon had an established and large Georgian community, second in size only to Ashdod. The first immigrants were directed to Ashkelon and it was the first major area of Georgian settlement.

(b) Elam had studied this community before - the only one studied in Israel. I had therefore some idea of what I would find there, which seemed to be an asset. Elam was of course interested in very different directions. He was funded by the Ministry of Absorption with the aim of focusing on resettlement and adjustment patterns (Elam, 1974, 1975, 1976, 1980). His publications refer to this and to some traditional ethnographic aspects: family relations (1979) and marriages (1975). From his writings, Ashkelon appeared to be a cohesive community, which tended to revive the original groupings in Georgia. This became possible through a mass-emigration of whole communities during a short period of time (some 25,500 emigrated in just four years: 1971-74). Kulashi, for instance, renowned as the 'Jerusalem of

Georgia', was almost emptied of its 9,000 Jewish inhabitants, many of which regrouped in Ashkelon. This particular aspect was considered paramount as it suggested that one could trace continuity patterns of common behaviour and social institutions back to Georgia, as well as to validate actual factual occurrences by several witnesses.

I also hoped to revive some of Elam's old contacts, perhaps through an assistant whom I knew was living locally. Elam himself, unfortunately, had died several years before.

(c) I knew Ashkelon beforehand. I had spent considerable time there during my early university days and I still had a few friends, whom I hoped could introduce me to the right people and give me some good advice.

2.3 The Fieldwork within the Research Framework

From the very start it was thought necessary to spend a whole yearly cycle in the field, to allow for all seasonal occurrences to take place and be documented.

While in the field, I kept in contact with Dr Mars in London through weekly telephone calls which averaged half an hour, and in which we discussed my tape-recorded reports - a contact which became a 'life line' and was invaluable in tackling the difficulties as they arose, as well as overcoming the common disease known as 'fieldworker isolation' and the low morale that it often involves. Dr Mars also paid me two visits to the field, giving me the benefit of five weeks of intensive discussions and the opportunity to test out preliminary ideas as well as sharing feelings and experiences: a facility which few fieldworkers can claim to have had (eg. Agar, 1980; Boissevain, 1978).

In February 1982, twelve months after my start, I ended my fieldwork with a celebratory feast - a joint venture I organized with close friends, to which all informants and associates were asked to come and participate.

Then I went to London and started preliminary writing up. The getting away from the field was considered important to allow for a perspective of time and space as against the close intimate involvement of being in the community. As had been anticipated, in certain areas some more information was required to 'round off' what had been gathered, and so, in the summer of 1982, I returned for two months for a 'hole plugging' period. On my return to London, I finalized my report.

3. STARTING THE FIELDWORK: PERSONAL ADJUSTMENT TO THE FIELD

3.1 The First Two Weeks

I landed in Israel in December 1980, coming to a refreshing Mediterranean winter after an eighteen months stay in chilly London. The first days back gave me strange and unpleasant feelings of being a stranger in my own home. A 'culture shock' after only eighteen months away, in other words!

I soon set off to Ashkelon. In the first two weeks I made several excursions, meeting people and starting to look for a flat. Although I encountered numerous persons, including the top hierarchy of the local municipality, it was apparent how little they actually knew about a substantial group of local inhabitants. Most disappointing proved to be Elam's assistant, who turned out to be merely a translator from Georgian to Hebrew. She could not point out anyone to approach for a start, and there seemed no way of taking advantage of her past experience.

Another reason for my confusion was the generally hostile opinion about the Georgians. Already back in London we had got messages that they were not the most pleasant folk on earth. A short time before we left, The Observer newspaper published some revolting photographs of fat and ugly Georgian women packing watermelons for export in an Ashdod warehouse (October, 1980). In Ashkelon the people I knew were unanimous that these people were aggressive, noisy, dirty, smelly - and, of course, awful liars. The light relieving the gloom came from a young soldier who was travelling with me on the Ashkelon bus. She was the first person I had met who actually had Georgian neighbours, and she seemed to think that they were rather nice people, generous and very good neighbours to have. I noted in my diary that either she had developed a positive bias for Georgians to explain the fact that she and her family had not moved to a better neighbourhood for residence, or that all the rest were so ignorant - like those Austrian mountain villagers who had a clear idea that all Jews had tails and little horns. In only such a way could so well defined, a clear cut prejudice have formed. I was relieved very soon to find out that the soldier was right and the others were wrong. Thereafter, one of my roles in the community became that of 'the outsider who thinks that we

are nice people and passes the gospel to the outside world.'

3.2 The Problem of Residence

An urgent task to complete was finding a flat. This proved to be difficult. Firstly, there were almost no estate agents dealing with that part of Ashkelon. I still remember their faces when I insisted on a flat in the area. It did not seem to fit the image I projected. Secondly, vacant flats were in much demand as Ashkelon served at the time as the hinterland town for the police and army forces in the Gaza Strip and Yamit district. And of course the Georgian population needed flats for newly weds or recently arrived relatives. Thirdly, the social expectations of my wife and myself were somewhat above the local average. For instance, a telephone was considered paramount, and that proved to be a problem.[1] And then we needed a larger than usual residence by Israeli standards to accommodate a study room.

As things did not seem to move with the estate agents, I tried a different approach. With the help of a local friend, who had a car, we set off carefully to tour the neighbourhood and located a few potential spots. I left notices at the local groceries and started to knock on doors. This turned out to be the right way as personal contact is always preferred by Georgians. Before too long we located a flat which answered all requirements: spacious, with a telephone, long lease, and in a perfect location: it was just on the border of the community. Thus I was very close to local affairs, without being too exposed. This was thought to be rather important - as proved the case later. In February 1981 we moved in.

3.3 Entering the Field

(a) The 'Spy' Complex

I started my work with extreme caution, which meant that for the first two or three weeks I did not initiate any contacts. I imagined that a lot of eyes were following my movements as I was a stranger to the place. And like Boissevain (1978) I assumed that as it was a highly 'densed' community, I had better take care not to slip. There were several reasons for this approach. From Elam I knew that Ashkelon was a very cohesive community, therefore any grave mistake would mean an

early break with many of the people. Then, I had to assume - which proved to be correct - that the massive anti-Georgian prejudice could have resulted in equally strong anti-stranger feeling. As a stranger, therefore, I was bound to be suspect.

I also knew that Georgians are renowned for their suspicion. Gur Ofer, to whom I had talked by then, confirmed that he was unable to approach them in his study on the private sector in the USSR (1980) and Gershon Ben-Oren, a Georgian migrant philologist and historian, who would become a good colleague later on, further confirmed this at our first meeting in Jerusalem, where he seemed to be over suspicious about me and my work.[2] Another reason was that I had not trained as an ethnographer, and whilst I believed I had other relevant experience, this was definitely a novel and testing task.

There was also a practical reason. From the little definite information I had got so far, there appeared to be two political bodies representing the Georgian community: The Association of USSR Olim[3] in Ashkelon and The Association of Georgian Olim[3] in Ashkelon. This further suggested to me that I should adopt a cautious approach so as not to end up captive with one fraction of the community, and hence be outcast by another - a common trap for anthropologists to fall into (eg. Mars, 1972; Pelto and Pelto, 1973). And there was another reason for my caution. All the way back from London I carried with me the uneasy feeling that I was on a mission looking for material that was concealed, secret - almost 'forbidden fruit' and I am the sort of person to break in and crack the seal for the mere sake of knowledge. This is, I am afraid, as much a reflection on the state of the art as it is an expression of my anxieties. Thus, Simis's recent book (1982) is headed: "USSR: Secrets of a Corrupt Society". Gerald Mars coined the term 'hidden economy' (OCPU, 1978), and Stuart Henry applied it to his book (1978). And Jason Ditton scribbled his field notes on Bronco toilet paper in a bakery lavatory while configurating as a bread salesman (1977).

So there I was: a spy in the service of the Social Sciences Internazional. And this feeling only deepened in Israel. Eli Leshem of the Ministry of Absorption, whom I approached for background data on the Georgians in Israel, refused any help. He claimed that aid could only be extended to Israeli institutions; "and who knows if you are not a CIA agent?" he commented jokingly. A few days later, Mussa Shelhav, a good friend and colleague, telephoned to inform me about an American investigating Georgians in Ashkelon. In Israel, news travels fast.

My fears were also founded on what I already knew about that society: a tight community with very rigid boundaries to the outside, and internally competitive. A kind of sociey which, according to Douglas (1978), will have a cosmology of witchcraft accusations and xenophobia. Structurally I was therefore set up to become an ideal scapegoat.

(b) The Issue of Exchange

About this point in time I became somewhat obsessed with the issue of 'exchange', ie: what could I offer my potential informants in exchange for their co-operation. That is, for what return would they be willing to help me out - what Hatfield (1973) senselessly calls 'mutual exploitation'. This became connected with my spy complex, as I reasoned as follows:

i) I was a foreigner in what seemed to be a homogenous and fairly tight-knit community. I did not belong there, either by choice or by kin, and I was far different from my subjects as regards personal background, formal education, interests, occupation, social and economic status . . .

ii) My role was very ambiguously defined and even harder to explain.

iii) There seemed to be nothing practical or useful that I could offer my target group.

Hence, I figured, anyone would conclude that a person who comes from abroad, does not make his living from ordinary, decent work, and anyway cannot explain clearly what he is doing, must have something fishy about him. Besides which, he does not seem to be contributing anything and why is someone of his status living here in the first place?

From this I jumped to the conclusion that I had to do something about the situation, in line with theories of impression formation (Asch, 1946; Tagiuri and Petrullo, 1958) and attribution (Kelley, 1967; Jones and Davis, 1965).

As it turned out, I was much better at analyzing the situation than in providing the solution - a charge often levied at my profession. Indeed, I encountered suspicion all the way along. Probably, even two out of my four closest key informants did not fully trust me. When, towards the end of my fieldwork period, I allowed myself to inspect some of the less pleasant aspects of my immediate inquiry (ie, the criminality survey), one of my key informants said bitterly to my closest ally: "You see, I always said we should not trust him." Apparently there was a meeting held shortly after my miraculous appearance in the community, in which - in the best tradition of the Bruderbund - my fate was determined, but in my favour, fortunately. It was decided to co-operate fully with me. Probably, in spite of serious errors, I appeared to be OK.

Some of the mistakes, which apparently were not grave enough, included a burial of a neighbour where I offered my help which, of course, was not needed; but why should I have offered it in the first place? Then I made myself too quickly and too enthusiastically a patron of the local Georgian Dance Group, trying to help them to set up a tour to England. The Dance Group Leader was later to comment to a mutual friend: "I knew from the beginning he was a good person. He has such a naive face . . ." - hardly a compliment in a culture that emphasizes competitive shrewdness. Then there was an evening when I insisted on carrying the shopping bags of a lady who was old enough to be my mother - and yet she was a married woman and I was a total stranger. As they say in Israel: I had more luck than brains.

4. COLLECTING DATA: THE RESEARCH PARADIGM

The research strategy will be discussed in three sections. Firstly, the utilization of the four central tools of social anthropology; secondly, the development of three conceptually different fieldwork phases; thirdly, the use of additional material and information.

4.1 Four Anthropological Tools

(a) Participant Observation

Since Malinowski, participant observation, through continous residence among the subjects of study, has become the central tool of cultural anthropology. Participant observation as used here does not mean quite what it says - the involvement of an ethnographer to record current events and chart up relationships as they become manifest through action and involvement. Rather, participant observation here means the use of a continual presence gradually to develop good rapport and trust in order to gain data about the past. This was considered vital as former attempts to study illicit economic activities using traditional sociological techniques of questionnaire-surveys failed to obtain the co-operation of the Georgian population (Gur Ofer, personal communication; Israeli Institute for the Study of Contemporary Society, 1979).

Participant observation, unlike any other research modes, does not require a pre-arranged scheme: it develops its own momentum, and leads the researcher to unknown territories. This was considered an important virtue for a study which was looking into a largely unexplored domain. Thus, I had no prior knowledge on the centrality of networks to the second economy and their manifestation through the Institution of the feast, nor the crucial impact of transportation on production and distribution, nor the fact that a successful shop manager spends most of his time not behind the counter but chasing goods.

But participant observation has here also a more traditional usage, ie recording events while they occur, since significant patterns of relationships do persist from Georgia to the new setting.

(b) The Use of Key Informants

The selection and exploitation of key informants is an important feature of this research. Firstly, because reconstrcutive research needs the data it obtains to be most rigourously cross-checked for detail, reliability (credibility) and the obtaining of different perceptions of the same event. The role of key informants in this respect, then, is to direct the researcher to the potential sources of information, to help establish an informant's credibility and assess the validity of obtained information. Secondly, key informants should facilitate the obtaining of data by helping to contact potential informants and serving as guarantors of the integrity and trustworthiness of the researcher.

In addition to their crucial role in the direct aims of the research, key informants should facilitate the process of being accepted into the community and in the build-up of rapport and trust, by functioning as 'sensors' to public opinion and guides for the researcher about the do's and don'ts.

All these make key informants a main channel of communication; and their choice of a major task in the early stages of fieldwork.

(c) Collection of Life Histories

At a more advanced stage of the fieldwork, structured interviews were conducted, with the aim of obtaining the life history of Ego and family, in particular what concerned professional careers. Their importance was in helping to realize the matrix of relations in the community, which clarified Phase I events (see following) by putting them in a kinship context. It also helped me to find my way in the complex paths of familial ties of the community in general and of my close associates in particular. It was through the life histories that the important connections between family structure and career choice and development (discussed in Chapter 9) were revealed. The questionnaire was built around the 'family tree', investigating aspects of marriage, geographical location and mobility, occupations and education, wealth and social relations. In addition, some twenty questions were asked referring to close friends, to relations with

gentiles, religious feeling and social standing. (The full questionnaire is given in the Appendix). All data required was factual, to minimize errors.

The Life History Questionnaire was pre-tested on two informants for clarity of meaning, and translated into Hebrew (by the researcher) and into Georgian (by two independent persons: to match wording). I alone applied the questionnaire, which proved to be quite a lengthy process. It required a pre-arranged invitation, normally to the interviewee's place, and often (in 65% of the cases) I had to be accompanied by a third person who introduced me. The interview would take not less than two and a half hours, but it normally took more - usually a whole evening. This was because it involved, in accordance with custom, a mini-feast in my honour (especially if it was my first call to the place).

Thirty-five interviews were conducted over a period of four months.

(d) Questionnaires

On two occasions during the fieldwork, questionnaires were employed for different ends.

i) Life in Georgia Questionnaire

A third of my way through the fieldwork, when I was still in the process of establishing myself in the community, I initiated a prize winning essay competition at the local school, with two aims in mind:

- gaining recognition in the community by sponsoring the competition;

- gathering preliminary information with the help of school pupils.

A few topics were given, contrasting aspects of life in Georgia with life in Israel (see list of topics in Appendix), and pupils (the two upper grades only, aged 13-14) were given instructions:

the very basics of how to collect data - to enable them to question parents, relatives and neighbours, and then report back. Both aims had success above expectations. Reports were of high standard, extremely detailed and from various sources. Some contained up to thirty pages. Twenty-four reports were submitted, of which twelve were considered excellent, and four won prizes, presented on a festive gathering of pupils, parents and celebrities (including the Mayor). The prize winning essay competition 'legitimized' my position as a scholar 'who writes a book about Georgians.' My association with the school, a traditional authority and respectable institution, benefited me considerably in the longer run. It also set a precedent of inquiry through pupils (for both the school authorities and the parents) which I was to use again.

ii) Personal Details Questionnaire

Towards the end of the fieldwork period, a questionnaire was administered in two local schools in order to obtain basic data on the community.

Sixty-five questionnaires were filled in which related to forty-eight families[4] (out of approximately 1,300 families: that is, about 4%). Questions included ages of members of family, occupations in Georgia and Israel for both father and mother, education, place of origin, dates of marriage and emigration. (For exact details see Appendix).

As before, pupils were carefully instructed on how to question their parents. Only the three upper grades were asked to cooperate (ages 12-14).

4.2 Three Phases of Fieldwork

As this research developed, I came to recognize three fieldwork phases that were conceptually, though not necessarily chronologically, separate.

(a) Phase I

This involved traditional anthropological fieldwork: the focus was on collecting data on Georgian migrants <u>in</u> Israel; to chart their social relations and to identify their principal social institutions. As well as providing useful data on settlement in Israel, this phase allowed for two things to happen:

- the growth of trust, by inquiring into relatively undisturbing aspects of social life as it unfolded in the present: eg: "How are marriages arranged here?"; "How are economic relationships organised here?"

- the accumulation of data about social institutions and behaviour patterns, whose significance came to light when comparing and contrasting (in Phase II) with how things were in Georgia.[5] Thus first-hand experience was gained by looking into areas like marriages, deaths, friendship, feasts, the concept of work and leisure.

(b) Phase II

At that stage, which corresponds to what Mead (1953) labelled the 'informant technique', I attempted to translate the understanding of observed social process back into the Soviet Georgia context. Questions asked were: "How were marriages arranged over there?"; "How were economic relationships organized over there?"; "How did personal support networks operate in Georgia?"; "How did Jews and non-Jews differ?" This made it possible to identify continuities as well as discontinuities between 'here' and 'there'.

The degree to which social bases of behaviour applied to both Jews and non-Jews was of central interest in this phase.

(c) Phase III

This was directly concerned with second economy relationships in Georgia, best understood on the background of prior apprehension of the working of social institutions - particularly of networks - which were derived from Phases I and II. The questions here dealt with were

how people participated in, or had experience of, second economy activity in Georgia.

It was at this stage that the use of key informants became crucial in the building up of extensive and cross-checkable case studies, and in determining the typicality of Jewish involvement with ethnic Georgians. In all phases, but particularly in Phase III, the typicality of obtained information was a major and constant pre-occupation of this research.

4.3 Additional Material

In addition to empiric research, some other sources of information were sought. These related to both Georgia and the migrants in Israel.

(a) Additional Sources on Georgia

i) Newspaper Survey

Over three years, the leading Georgian daily Komunisti was monitored for reports on second economy activity and corruption. The period covered was from January 1979 to December 1982. In addition, the Radio Free Europe bulletins were monitored for current news on Georgia. The monthly Georgian compatriot paper Samshoblo (distributed free in the West) was monitored over a period of eighteen months (April 1981 to October 1982) for general information.

ii) Literature Survey

Six persons who left Georgia in their early twenties, after completing their formal education in Georgian schools, were asked to screen the literary textbooks from sixth grade (age 11) to tenth grade (age 15)[6] and choose the twenty most loved pieces of literature. Those selected unanimously (see Appendix) were analysed for ideas and values.

iii) Personal Communications

In order to gain information about Georgia from non-Jewish Georgians, the very small ex-Georgian community in the UK was asked about different aspects of life in Georgia, and, in particular, about the differences between Jews and gentiles. Two British couples who spent time in Georgia on teaching and study missions were asked for their impressions. All informants had the additional advantage of living in the capital city. Thus, aspects derived from the Israeli scene were put to test of relevance and typicality as regards their experience among non-Jews and city dwellers.

In the Spring of 1982, Dr Mars spent two weeks in Tbilisi on a senior scholar exchange programme, and because of his close association with this research, was able to look at different issues of interest. He visited two factories, spent considerable time on social events (ie: feasts), and tried to establish the nature of differences between Jews and non-Jews in Georgia.

(b) Additional Sources on Georgians in Israel

i) Newspaper Survey

Over fourteen months (December 1981 to February 1982) the Hebrew leading daily Yedi'oth Akh'ronoth was monitored for reports on Georgians in Israel.

ii) Anthropological Archive

The archive of the late Dr Itzhak Elam, an ethnographer who had studied the Ashkelon Georgian community upon their arrival in Israel, was put at my disposal. The archive which contained numerous field notes, was studied carefully.

iii) Criminality Survey

In order to ascertain the substance of the common view in Israeli public opinion concerning the criminal tendency of Georgians, and in order to look for possible continuities of extra-legal activities in Israel, a comprehensive survey was conducted at the

local magistrates court. I counted the number of official complaints and requests for detention in a given year (January to December 1980) for Georgians as against the general population.

iv) Community Survey

During my stay in Ashkelon, different information about life in the community was compiled from numerous sources to establish relevant background data, eg: number of inhabitants, occupations, types of residence, education of the younger generation (religious vs secular, secondary and higher education), marriage patterns (ages, statuses), political affiliations. This was part of Phase I, discussed earlier.

5. COLLECTING DATA: THE PROGRESSION OF FIELDWORK

5.1 Getting Going

(a) Key Informants

The first to approach me, or to return my approaches, were, as is often the case (Agar, 1980), marginal people. Marginality characterized also my closer informants, whom I labelled before as 'key informants'. There were four of them. Two, typically, lived literally on the border of the community. Another almost bought a flat in the more affluent parts of Ashkelon, and only his father's disapproval stopped the deal. Yet when I last contacted him he was still determined to move. The fourth, who lived in the heart of 'Gruzland', was, though, marginal in another sense: he was the embodiment of failure, at least by Georgian standards, and as such helped me to gain some invaluable insights on the culture.

Of the four, one in particular was a close friend and ally. He was my 'Doc'. Like Whyte's legendary aid, he was inclined to action and wanted to change things concerning the unsatisfactory standing of Georgians in Israel. He certainly found a sympathetic listener in me. He became not only an important source of data, a most wise guide and observant assessor of peoples and events, but, most important, he took the risk of being my guarantor. In a society where everyone should 'belong' or at least 'affiliate' to somebody, I would have been doomed without someone accounting for me. Even in a sense of warning me not to drink too heavily ("You are not a Georgian after all") and taking my place, when some smart guy tried to out-drink me. I was most fortunate to have met him.

The four key informants, with a wider circle of their friends, formed my social base in the community. I was helped by the fact that this was a peer group culture - of which I was not too aware at the beginning. It was yet another piece of luck that my natural preference to relate to my age group benefited me so directly. As a matter of fact I needed them very much because of my poor Georgian. I learned the very basics but I gave it up after a while, realizing it would need too much effort whilst there were few facilities around (no textbooks, no teachers). There were, of course, teachers in Jerusalem and the

Tel-Aviv area, but not in Ashkelon. And while quite a few of the women who stayed at home could easily have taught me, and benefited financially as well, this - alas - was considered a taboo. As a close friend, to whom I came with this offer, put it: "I know, and you know, that nothing will happen if you and my wife stay alone. But the others don't." So my Georgian suffered, and I depended heavily on the better Hebrew speakers who, inevitably, were the younger generation. This was all right, because I was expected to relate to them in the first instance, and through them to the others: the middle-aged, the elderly and the women.

(b) Maintaining my Independence

In these circumstances: a cohesive community, rigidly structured by age on one hand, and my lack of the language on the other, it appeared vital to maintain an independent standing regarding my sources of information and my affiliation to individuals and cliques. This, however, was not an easy task.

As has been observed with pariah groups, whether ethnically organized (Zborowski and Herzog, 1952) or occupationally (Mars, 1972; 1982) - they typically respond to their perceived homogeneous lack of status by developing what to an outsider seems minute and non-functional divisions of prestige. I was a rare exemplar, and therefore an obvious target to capture and thus to exercise social power and prestige. I had to apply much attention and energy to escaping these traps of honour (typically endless invitations to feasts or honorary seats in the synagogue). Of course, not only honour is involved. This is the way important people are captured (see Chapter 5 on Networks and Feasts) and a network is woven; and while captivity might be most enjoyable, the time comes when you have to pay the price. In my case the bill came as a request, which turned out to be a demand, to my professional powers for someone's private benefit. While I would welcome such a request on a more general level (eg: writing a letter, finding out information), using my professional standing might have damaged my integrity in the longer run. It was not easy to say 'no', and the fact I was associated with several groups helped me to say it - knowing that if it came to the worst I would not lose all my connections.

(c) Establishing an Image and Roles

My early concern about possible 'exchanges' with the community was soon resolved. I came to be known as 'Doctori' and 'Englishi', much to my surprise. Surprise, because I considered as one of my assets the fact that I was an Israeli, a 'good' Israeli as opposed to the bad ones who did not like Georgians. Another virtue I thought to be helpful was my very informal look and approach. The community, however, preferred a different image because they wanted to honour me and by doing so honour themselves. That is to say: 'we are all the more important because a distinguished person (as far as they were concerned I was already a doctor) comes all the way from England (the West is traditionally prestigious in Soviet as well as Israeli eyes) to write a book about us.'

This modified image committed me, of course. Thus I had to abandon my shorts in the summer and bring generous gifts when I came back for a second field period - as would be expected from a 'big man'. I had also not to be seen conversing too frequently with youngsters or children,[7] or indeed women - whether married or not, young or old. The fact that I was married saved me - I am certain - a lot of trouble. Firstly, because bachelors were not considered full members of the community and secondly because, as a married man, I was considered safe enough to be allowed at least some contact with women.

The glamorous foreign halo did not completely rule out my local identity. As with Shoked (1977), the fact that both my subjects and myself belonged to the same society indicated a long range commitment. We often discussed the kind of things to do in the future regarding the place of the Georgians in Israeli society, and I proved my commitment by launching a photo-documentation project about life in the Georgian quarter of Ashkelon - a project that would start upon my return to Israel, and which was most welcome by my social circle in Ashkelon. Like Shoked, I found myself in the annoying situation of being unable to attend the High Holidays in the community - hence missing important events - simply because I was expected to join my family on such occasions. I feared that failing to do so would not

only be interpreted as not respecting my parents (which was Shoked's concern), but that I might be considered a man without roots, hence a man without honour.

Apart from serving the function of an interesting addition to the community's routine, I was known as a superb letter writer. As I also typed the letters myself on my electric typewriter, I had frequent requests, which were normally channelled through my closer friends, providing them with a real 'exchange' for their help to me. I would usually have a letter or two a week, and sometimes it involved some further work, like finding out particulars at a governmental bureau. I liked to do that service as it demanded little of me and seemed to yield high returns. It also gave me another source of information on personal matters, to which I would otherwise have had no access.

I was also a dedicated campaigner on behalf of the Georgian cause, and I did it with all my heart. I twice initiated a reportage with photographs in the local press. I once appeared on Israeli radio, advocating the Georgian cause and just missed an opportunity to appear on Israeli television. I initiated the photo-documentation project and fought vigorously - without much success - to bring the Georgian Dance Group on an European tour.

5.2 Inquiring about the Second Economy

(a) 'Coming Out'

Since the second economy is so thoroughly blended with the everyday life of Georgia (see Chapter 9), I soon stumbled on plenty of casual information. Even Elam, who was not particularly interested in that aspect, could not help but mention it several times, as he rightfully recognized it to be a most important variant in assessing the background of Georgian immigrants. The difficulty - which turned out to be a psychological one more than anything else - was to 'come out' with a declared aim and study it more systematically. I preferred a straight-forward statement, not only because this would make things easier in acquiring data, but because I thought it only fair to advise, at least my principal informants, about my intentions.

About half way through the first period of my fieldwork, I felt confident enough to make that statement. (I was also aware that time was advancing, and this put some pressure on me). I first discussed it with 'Doc', who immediately understood the originality from a research point of view, and who said that as a good friend he was committed to help me succeed in whatever I chose. The next thing 'Doc' suggested was to summon a meeting with his close circle and try to get their commitment. We did it the day after, and again, rather surprisingly, there were no difficulties. All involved agreed to help out in finding informants and suggesting lines of inquiry.

The difficulties came only later, when actually sitting with people and asking them for precise data. This made informants aware of the nature of the inquiry and what it demanded of them. It was then that even some of my closer circle started to doubt me, which meant appointments that were not kept, interviewees who avoided comment on illicit earnings and, most agonizingly, informants who started to cooperate and then withdrew, making it impossible to establish a case.

But in essence studying the second economy did not differ from studying any other aspect of life. As a matter of fact, I can think of quite a few Phase I matters that would cause me greater hardship to obtain satisfying results. Even with the technicalities, while I started with indirect conversations, I soon found out that straightforward questions and open note-taking normally led to no objections, because, as 'Doc' put it: "What matters is not what you do but who you are." However, with some informants I was able to reach only Phase I or II. With others I successfully entered Phase III without any delay.

(b) Differentiating the Past from the Present

When looking into second economy affairs, I drew a clear line that differentiated between the past and the present. Although there were a few interesting occurrences during my stay in Ashkelon - the most striking of which was an all-Georgian enterprise: the forging of US Dollars. This was the biggest ever forgery of foreign currency detected in Israel, and was called the 'Crime of the Year' (Grinberg, 1981). It had some interesting patterns - according to the Press -

resembling the operation of networks in second economy activities in Georgia (the continuity was expressed, among other things, in the name of the printing house: 'Tbilisi'; Ronen, 1981), and there were even some Ashkelon connections.

However, I made a point of not looking into that or other affairs to the extent that I preferred not to listen, passively, to passing gossip. There were two good reasons for this. Firstly, it seemed to be dangerous to look too closely into criminal business, and secondly, it might have made me an object of suspicion to the extent that even the good will of my closest friends would not have saved me. Tempting as it was, I dropped this line of inquiry without much regret.[8]

6. SOME PROBLEMS OF RECONSTRUCTIVE RESEARCH AND HOW THEY WERE DEALT WITH IN THIS STUDY

6.1 The Issue of Sampling

(a) The Problem of Representativeness and Relevance

When dealing with an emigre population, the question of its representativeness and relevance, being a unique self-selective sample, is of major concern. An additional concern, however, in this case, is the fact that the immigrants were an ethnic minority - Jews - in a largely Christian population. The questions of representativeness and relevance are therefore even more acute. I would like to examine these concerns in two parts. Firstly, how and in what aspects is the studied sample similar or dissimilar to the general population it stems from, and secondly, how important are the various similarities (or dissimilarities) to the questions under investigation.

To start with the second point, the main interest of the present research is to look into the operations of Soviet Georgia's informal economic institutions. Therefore, the leading query would be how much do the selected informants know about the issue concerned. Have they operated within the economic system? Were their operations typical of the sector in which they functioned? Were their activities segregated by any particular attribute? (eg: Did they come into contact with only Jews?)

If one could establish that there existed no specialized 'Jewish economy' as such, then what is true of Jewish agents would basically apply to non-Jewish protagonists as well. Even more so - to go back to the first question - if it can be established that Jews are very similar by various criteria to their gentile compatriots.

Both questions will be discussed at length in the next chapter.

There still remains the issue of the self-selection of immigrants. There is a wide spread assumption that people who emigrate differ substantially from those who do not. The Harvard Project researchers in the 1950's confronted the same problem and this was their answer:

"Any sample of former Soviet citizens will be fundamentally different from the Soviet population from which it was drawn, and therefore unrepresentative of it in some sense. On the other hand any sample, no matter how drawn, shares certain features with the parent population. We should like, therefore, to affirm here a principle that underlies all of our use of this data. The question of the importance of sample bias can be answered only in the context of the specific type of analysis which is made, and the specific inferences which are drawn."

(Inkeles and Bauer, 1959, p.26)

The Columbia Project, the other notable predecessor of this research, gave a similar reply:

> *"Each informant is a representative of his culture when his sex, family, history, intelligence, type of experience in and outside his culture and his relationship to the anthropologist are taken fully and properly into account."*
>
> *(Mead, 1952, p.44)*

It is the intention here, likewise, to taken into account the possible bias of my sample, particularly when generalizations will be attempted to be drawn.

Since this research focused on the illegal economy, unavoidably its sources had a further limitation. It drew its information from individuals who were directly involved in it. But also - given the informal and sensitive nature of inquiry - it had to be limited to individuals who could be trusted to give credible information and whose information I could satisfactorily check out. And since the mode of research was anthropological and largely informal, it further required individuals who had the time, motivation and the narrative ability to inform well.

(b) Anecdotalism

All this leads to the fact that this research is largely based on anecdotal evidence. Anecdotalism, though not systematic, can serve as a good base of data. An economist recently commented that:

> *"every fact begins as an anecdote; for instance every historical action taken by every citizen that contributes to the national income is an anecdote, and is only later grouped with others to become a statistic. This grouping does not enhance its validity! So what we have here is only a more arbitrary more partial selection of anecdotal information than is usual. Indeed, we can be more precise: it is quite common to accept 'anecdotal' evidence on prices, since a price, even in an imperfectly competitive market has rather broad applicability, and an unofficial observer is quite likely superior to an official one."*
>
> *(Wiles, 1980, p.2)*

(c) Regional Representation

A last point concerning the data presented here is its geographical spread. As will be discused in the next chapter, Ashkelon has representatives from all Georgia, including the big cities. However, most informants, and hence the bulk of data, stem from rural Georgia, and one should bear it in mind.

What concerns rural Georgia, however, is that information is not limited to any particular region. Where possible - as for instance in the case study on shops (Chapter 7) - information was deliberately drawn from different areas to test regional variance and typicality.

6.2 Perceptual Errors

(a) Forgetting

In reconstructive research, one deals with materials of the past. Therefore the limitations of human memory are an inbuilt restriction (Baddeley, 1979). These, however can be minimized.

Forgetting may take the form of lack of memory, that is - some information is not recalled and in that sense is lost. Or it may be manifested in inaccuracies, that is, a piece of evidence may not be congruent - at different times or on different occasions, reported information would differ.

Informants in this research were reporting on occurrences that happened at least five to ten years before. Their information was therefore expected to be subject to the above limitations. To minimize these effects, two methods were used.

i) Refreshing the Memory

In order to confirm information established elsewhere, one can put forward concrete questions of various degrees of directness (openness). For instance:

- Who received bribes from the enterprise? ('open' question)

- Who, at the local government level, received bribes?

- Did the Mayor receive bribes? (directive question)

This was found to be a good way of refreshing an informant's memory. In other contexts, it is often referred to as the 'recall method', which normally yields best results in memorizing data, as any basic book on the psychology of memory would confirm (eg: Baddeley, 1976; Egan, 1958). Yet another way of refreshing the memory is the 'puzzle method' (see following).

ii) Intra-Person Reliability

To check on a person's recall of details, this is an essential ingredient of reconstructive research. Especially if directive questions are put forward, there is a danger of a tendecy to confirm them - the so-called 'demand' phenomenon, to be discussed later. For instance, if a person confirms that the Mayor received regular bribes, the obvious questions would then be: how much, how often, where and when? These questions should then be repeated at least once, at an appropriate interval of time.

It was a regular practice in this research to confirm details in such a way. For minor details, one repeat in an interval of a month or two was considered sufficient. Major information, however, was subjected to more demanding tests. My main informant on The Factory was rechecked four times on particular details in a period of two years, and three (out of the four) main informants on The Store were rechecked four times (one) and three times (two) over a period of fourteen months.

> In questionnaires this method is regularly used, known as 'detecting questions' or 'verification items', but necessarily they lack the time dimension, which is a major element in establishing information credibility.

Forgetting can be a major source of error in reconstructive research. One should, however, differentiate between residual and accidental information (much of which comprises the bulk of research findings in studies of memory and forgetting, such as Ebbinghaus's nonsense syllables) and regular meaningful events. Take for example the payment of bribes. Apparently they were paid monthly, as a matter of routine. It would therefore not be unreasonable to expect a person to recall the exact sums involved, even a decade later. Or what are labelled here as Crisis Events. These were unique, highly significant events in a person's life - when his personal safety and the welfare of his close family were at stake. One should not be surprised, then, that these occurrences are described in vivid clarity, with minute details, even though they happened long ago.

(b) Unconscious Deception

This is not a very common case, yet existing and justifying consideration. A classic example is Alfred Adler's childhood cemetery. For years he recalled passing a cemetery on his daily route to and from school. Only after he paid a visit to his home town in adulthood did he realize that there was not, nor had there ever been a cemetery. It was a figment of his imagination (Sperber, 1970). I had one such bizarre report during this research venture. As a reservist in the Israeli army, I found myself one day waiting with another reservist for a lift to a remote spot in northern Israel. There is rarely a

better opportunity for sharing intimate personal information than an accidental meeting of two uniformed men unknown to each other and stuck on a deserted road in the Galilee for an unspecified period of time. The accent of my 45-year old companion disclosed his Russian origin. He came from Chernovich, Galicia, and had been a bus driver for 22 years. I did not reveal to him my particular interest in the Soviet Union's second economy, but in the circumstances it appeared only natural that I should question him in detail about his past. What he told me, especially concerning his earnings, was absolutely out of line with any other information I possessed. He claimed to have been paid 4,500 Rubles a month officially. "But surely you mean your total annual income," I laughed at him. "No, no." He was certain about the figures. "You are speaking in old Rubles, then?" I tried to make some sense from the impossibly high figure. He insisted that these were new Rubles and that this was the official rate, and he even remembered that his starting salary was about 3,000 Rubles. We spent a few hours together. The person seemed absolutely normal to me. His reporting about his present life seemed most reasonable. He conversed fluently in Hebrew, and besides I knew his mother tongue - Yiddish. And certainly he had no motivation whatsoever to lie to me or to deceive me. Yet the figures he suggested were at least twenty times higher than those I got from very reliable sources. They did not make any sense, and yet he seemed so certain. He even described the office where he was paid, and other routine aspects of his life. I still cannot explain it except on the grounds of Adler's childhood cemetery experience.

Unconscious deception is an extreme case, but it does not differ in priciple from any reported information which is essentially a personal account, and as such should be subject to inter-personal validation.

When reconstructing the Soviet second economy, one has to rely heavily on personal accounts. The censored press and the unreliable statistics (a constant problem for Sovietologists) are of little help. Vigorous cross-checking is therefore a must, and it was a routine part of this research to cross-check information - indeed, the very reason for living in a community of immigrants, which serves as a massive data base. Cross-checking aimed to encompass any detail, but particularly what concerned the second economy. It meant that any occupation

should have at least two accounts, hopefully more. In some instances, as with a factory and a shop, it was possible to obtain independent information from persons who worked at the same work place or witnessed the same events. Cross-checking was most helpful in filling out a whole picture in a puzzle-like manner. While informant A might not have all the necessary details to complete an account, he nevertheless could give a lead which could then be picked up by informant B. Going back later to informant A with a more complete account to test out his experience, he might then add another piece of data which would clarify yet another point or raise a new question, and so on. In that way the case studies on The Factory and The Store were built. Indeed, this way maximum advantage is taken of this particular methodology: the use of patient participant observation and an existing community as a data base, to reconstruct life experience puzzles.

6.3 False Reporting

There are three errors resulting from false reporting which are a danger to social research in general, but to reconstructive research in particular, because of the over-dependence on personal reports.

(a) Social Desirability

Social desirability (Edwards, 1957), or demand, are common effects produced in self-report inventories, but are also present in open-ended informal interviews - the essence of anthropological method. These could take the form of 'putting up a good front' - an attempt to portray oneself with a positive bias rather than realistically. I found this frequently when approaching people for my Life History Questionnaire. Since I had to make appointments in advance, and was sometimes accompanied by a friend or a school-teacher who had formally to introduce me (informally I was fairly well known in the community), people tended to feel very committed to answer my questions (which I valued) yet, at the same time, were not always willing to disclose perhaps embarrassing personal details. Either because of the formality of the interview, or because I was a stranger, interviewees perceived themselves to be representatives - 'chosen' to testify - of their families and even larger communities. However, while not denying a prison history ("To be jailed for 'combination' is not a

shame"), they would perhaps not wish to focus on it; or the rare occasions of outmarriages and divorce which would have to be pinned down by a polite insistence ostensibly to obtain the complete family tree.

Another common form of social desirability is the wish to please the researcher, that is, to match what the informant perceives to be the researcher's expectations. In Ashkelon this tendency was expressed in a frequent inquiry about the progress of my research and a stated wish to help me out. As one informant put it: "If a person like you comes all the way from England[9] to write a book about us, then the least that I can do is to see in what way I could be helpful." Certainly it is better to be in that position rather than in Evans-Pritchard's, who was told: "You are a foreigner, why should we tell you the right way?" (in Hatfield, 1973). But sometimes, when trying too hard, that could become an embarrassment. On one occasion a close informant dragged a man off the street, forcing him to tell me about his job as a ticket collector on a train - because I had asked his help to locate such a professional. The poor man struggled to tell me as little as he could. He was apparently alarmed and did not understand what it was all about. Clearly, not only was his testimony of little use but I also lost a potential source of information and had 'gained' a suspecting acquaintance.

(b) Purposeful Misleading

Purposeful misleading, that is, intentional lying in order to lead the researcher off the track, could be either a cultural way of handling strangers (eg: Evans-Pritchard with the Nuer), or a wish to conceal sensitive information. I experienced some of the latter in the more advanced stages of the fieldwork, when I allowed myself to dig into the messier affairs of the present - as opposed to my regular dealings with the past.

I was curious to check the criminal record of the Georgian community, both in order to examine the carry-over effect from Georgia and to test popular prejudice about the allegedly bad record of Georgians as regards law-breaking. This impression is widely given by the Israeli public and Press. After some effort, I obtained permission to go

through the local magistrates court files. What I found was surprising in two ways. Firstly, the overall crime rate (measured by official charges and detention requests) was lower for the Geogian community than for the rest of the population. Secondly, the Georgians were outstanding in one peculiar offence: stealing electricity from the national electricity company. This was a specific Georgian phenomenon and rather widespread. However, not only was I not told about this before, but when inquiring - having already obtained official figures - I was assured (wrongly) that it was a rare occurrence.

Of course, intentional misleading would not be surprising if it served a purpose. I came across this in one of my residual roles as the town's expert on Georgians. A colleague working with girls in distress in the local social service department approached me about a reported case of elopement. Naturally I was very interested to become involved. While Elam, my late predecessor in Ashkelon, evidenced several cases in the early and mid-70's, I had not come across any. Immediately I made myself available, and shortly afterwards we met with the girl and her parents. They were opposed to her marriage, while she gave the impression that she would rather consent.[10] My next step was to try to get some more background information about the families involved. To my astonishment, I quickly found out, through my sources, that not only was there no elopement, but that the girl had actually already been engaged. The true problem turned out to be the girl's age. She was under the legal marriage age and it was thought that by fabricating an elopement, the authorities would be put under pressure to give their approval to the wedding.

(c) Exaggeration

Exaggeration is a form of conspicuous display. For many it is the renowned Georgian attribute, evident to any traveller (eg Hone, 1982; Maclean, 1980; Papashvily, 1973).[11] For observers, this is rather appealing - say as guests at lavish feasts. But to social observers it possesses some problems when trying to establish information as accurately as possible. Social gatherings like feasts are an excellent occasion to collect information: the wine loosens the tongue and time stops still. And as a guest you become the focus of attention and your wishes (including questions) get answered. However, if I

believed all accounts, then Mzhevanadze, the deposed ruler of Georgia, was supposed to be on the paying list of some traders who - as the Georgian saying goes - 'did not know where Tbilisi was on the map'. Furthermore, the present first secretary, Shavardnadze, who appears by the stories to be rather a hermit, is supposed to have been a personal friend of several of Ashkelon's present inhabitants.

As could be expected in a large community, one finds a wide range of behaviours. Thus, there was one informant who, being aware of the inbuilt cultural tendency to exaggerate, would actually underestimate. He would typically say: "I think our income was so and so, but you must not take it down. It could now seem to me higher than it actually was." On the other hand, there was a pathological liar who was supposed to be so powerful that he was only short of becoming the mayor of a large town.

Remedies for false reporting are simple, but labour expensive. Meticulous cross-checking of information is the key, along with a careful and continuous effort to establish an informant's credibility. This was done through key informants, who were expected to be in a position to assess a person's standing, at least in the community, and, if possible, back in Georgia. Of course, over time I was able to establish independently my impressions of a person's standing in the community. It so happened that two informants who were among the first with whom I developed a good rapport and with whom I spent considerable time and effort, had to be discounted as they were found to be lacking in credibility. Sometimes, when the problem seemed to be more a lack of accuracy (that is, exaggeration) than incredibility, I arranged - mainly through key informants - to pass the message that it was paramount for me, "in order to write a reliable book," to be given accurate accounts. It seemed to help. In a particular instance I used to pass all information to the attention of an informant's son, who would then filter it according to the best of his ability.

Both perceptual errors and false reporting are a potentially greater danger to reliable research in studying culture from a distance, mainly because of the necessary overdependence on a particularly narrow channel of data: selective informants. To minimize these sources of error, three main methods were employed:

- establishing an informant's credibility: both in his present life in the community and, before that, in Georgia;

- establishing an informant's reliability: by rechecking his reports over time;

- establishing a report's validity (typicality): by cross-checking it with similar accounts.

6.4 Researcher-Subjects Relations

(a) Working with an Emigre Society

The ever-present problem of acquiring the frank cooperation of subjects becomes a major concern in reconstructive research when dealing with an inaccessible culture. All data is necessarily dependent on the successful (or unsuccessful) rapport with informants who are in the difficult position of both exiles and newcomers: they left their fatherland but are not yet integrated in their new home. Their standing as immigrants in a different society is bound to have an impact on the way they cope and adapt to the new situation. Inevitably it shades the relations with a researcher in a certain way. In our particular case, dealing with people who come from an environment where free research is non-existent, and a person with a pen and a notebook has to be an official of some kind, can only make things complicated for both sides.

The Harvard Project researchers, for instance, were concerned about how the Soviet emigres' responses would be affected in the light of the fact that they were waiting for visas to the United States (Bauer et al, 1964; Inkeles and Bauer, 1959). The Georgian way of responding to the Israeli reality was to 'hedgehog': wrap inwardly and minimize the contact with, and influence of, the outside environment.[12] Consequently, former attempts to obtain information on economic activity

in Georgia using 'closed' structured questionnaires failed to obtain adequate co-operation (Ofer et al, 1979). Another survey at the same period, though reporting some data, admits that "many of the interviewees were ashamed (?) to go into details about illicit income in the USSR" (Israeli Institute for the Study of Contemporary Society, 1979, p.15).

The strong boundary the Georgians have built around themselves (Elam, 1980) and their mutual rejection of Israelis (only 3% of Israelis ever met Georgians socially: Astman and Rosenbaum, 1979)[13] suggested that the gradual build w/ of trust with specific individuals, and within a community framework was imperative. That called for a research method which would involve a close association with Georgians over a considerable period of time, and careful consideration in asking (or refraining from asking) particular questions.

(b) Ethical Considerations

Working with immigrants from a totalitarian police state, and reconstructing aspects of their life there, raises some ethical concerns peculiar to this type of inquiry.

Since people who left the Soviet Union have still got relatives there, this issue naturally was present all the way through my fieldwork, though it was not often openly put forward, perhaps because informants did not want to offend me.[14] More than anything, this puts a heavy burden of responsiblity on the researcher. After all, it is he who makes the decisions as to what to present and how. Needless to say, the information is concealed in such a way that any detection of the source of reference is practically impossible. There is no mention of names of people or places, and any specific data (eg: the sort of produce in the factory described) were given adequate fictitious cover.

More than once I found myself in the uneasy situation of trying to convince a person that he could trust me with his secret affairs in the recent past. I tried to keep the balance between my desire to know and succeed in this venture on the one hand, while recognizing a person's very real difficulties in cooperating on the other. I tried

to remember that my momentary loss is far less crucial than his potential risk.

6.5 A Final Note

As has been presented here, there are no doubt numerous limitations to be dealt with when undertaking research on an inaccessible culture, requiring a reconstruction of events from the past and tackling a sensitive issue such as illicit economic activity.

However, if these problems are identified and faced during the data collection phase, in carefully planned strategy, and if taken into consideration when applying the findings, this methodology is possibly the best one available today to study our particular issue: the second economy of a Soviet society.

NOTES

CHAPTER 2

1. Elam makes a point in his field notes: "A telephone in a neighbour's flat reminds us that we never came across one in a Georgian flat - with one notable exception. Is it because a telephone acknowledges distance between relatives, a substitute for face to face contact . . .?" (8.8.1977, unpublished field notes). Elam was right. Four years later telephones were still low on the Georgian priority list. Evidently, these were considered unnecessary for inter-community communications. Telephones might also suggest an asocial attitude: to shorten or hasten communication would be considered an insult. One should never be short of 'social time'.

2. This suspicion was existent also in Georgia. Plisezki, who studied Georgian Jews in the late twenties notes it, and so does Krikheli, who directed the Historical and Ethnographical Museum of Georgian Jews in the thirties and forties (in Ben-Zvi, 1963). However, one cannot separate this suspicion from the general problem of practising social sciences in the Soviet Union in those times.

3. Olim: migrants to Israel.

4. Some of the questionnaires which related to the same family were filled in in different classes.

5. Goldberg (1967) has looked at continuity patterns among migrants by using participant observation to examine their principal social institutions in the present and recent past.

6. Textbooks were available in Israel. The sampled persons had left Georgia at different times during the last decade. As far as I was able to establish, these texts had hardly changed in the last twenty years. One of the respondents was a Christian and was educated in the capital city. The other five were Jewish and came from east,south and west rural Georgia.

7. Consider the following vignette: on a summer day I stroll along the main street. "Shalom professor" I was greeted by two young brothers. The youngest (aged 9) wanted to try on my sunglasses. Without thinking I hand them over, while his elder brother (aged 12) slaps him in the face: "How dare you make such a request!"

8. I did, however, look into the ordinary offences at the local magistrates court, which of course did not come to the attention of the press. But this was done in order to learn about my sample, not to gain information about the second economy, and, as already mentioned, that immediately raised some eyebrows in my vicinity.

9. I was known in the community as 'Doktori' and 'Englishi', both suggesting a high standing.

10. Usually elopement is worked out with the girl's prior consent.

11. For further elaboration, see Chapter on Core Values.

12. This is one possible reaction among few others. North African emigrés' reaction in the fifties and sixties apparently was largely one of disintegration and overdependence on the receiving society (Marx, 1976; Elam, 1980).

13. This should explain why people preferred to relate to me as 'Englishi' (Englishman) and not as Israeli, which I am. The general rejection of Israelis, and what appeared to be Israeli, made it difficult to see me in the same category while responding to me favourably.

14. Which does not imply that my standing was taken for granted; my integrity and credibility were constantly in question.

CHAPTER 3

THE SAMPLE AND ITS TYPICALITY

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Two Questions

The overall question this chapter aims to answer is the following:

Is the sample used in this study adequate - ie. can one learn about Soviet Georgia's second economy by studying a community of Georgian Jewish emigrés in Israel?

The question should be treated I believe at two conceptually different levels. One derives from the economic sphere, the other from the cultural milieu.

(a) The Question of Economic Representation

Since this study focuses on economic activity, the central issue to be examined is whether the people of the selected sample can give evidence about the second economy. Two expectations can be offered:

- That, as a minimal requirement, the people in our sample have observed Georgia's second economy in action, they can - and do give evidence about their observations.

- Better than this: if as participants in the second economy of Georgia, they give evidence particularly of their participation with and alongside non Jewish Georgians.

(b) The Question of Cultural Representation

As this study aims to understand economic behaviour on the basis of a people's culture, three further expectations can be put forward:

- That, as natives of Georgia, the studied people should reflect in their behaviours and attitudes some aspects of their host culture.[1]

- Better than this, if as a minority group living along with the majority, the selected sample can give evidence about the general population.

- Better still, if it can be established that the selected sample not only lived among their gentile neighbours, but in practical terms lived with them and shared similar beliefs and customs, then their contributions can be regarded as disproportionately valuable.

I will start by examining the issue of cultural representation first.

1. THE PLACE OF JEWS IN GEORGIAN SOCIETY AND CULTURE

An established Jewish presence in Georgia traditionally goes back to the legendary Kusar Empire in the 8th Century and some would argue to before that - to dispersal after the destruction of the first temple. There is firm evidence both of settlements at least as far back as the 11th Century and of an uninterrupted presence since then. This presence has been relatively uneventful. In Georgia there were no expulsions and restricted pales of settlement as in Czarist Russia. When Russia annexed Georgia in 1801 it had to recognize the established position of its Jews who then enjoyed a much freer status than elsewhere in the Russian Empire. Since the Red Army takeover of Georgia in 1921 there has been a similar differential in control.

The decades between the start of Soviet rule and the beginning of mass emigration to Israel are of crucial importance to this research. It is in those years that the subjects who provided the data were born, grew up and were socially active. In examining the place of Jews in Georgia at that period, the following questions are of main interest: How close was their life to that of gentile Georgians? How integrated were they in Georgian society? What differentiated them from the non-Jewish population?

I would like to focus on three central areas: the cultural arena, relations between Jews and gentiles and the place Jews occupied in the Georgian economy.

1.1 Culture

(a) Language

Language is the core of culture and as such is a prime indicator of the exclusiveness of a people. Georgian Jews have neither a separate language, nor a special Jewish dialect in Georgian. Consequently they are a rare exception among Jewish ethnic groups. Ben-Zvi (1963) notes: "What is most surprising is that even the script they use amongst themselves is Georgian, going from left to right, and is very different from all other Jewish groups in the East and West, who used Hebrew script for communicating the local spoken language amongst themselves." (p.91)

Nevertheless there were in use certain Hebrew words and expressions, especially among pedlars and merchants - a kind of secret argot or canting language (similar to that of fairground workers in Britain) intended to take advantage of Georgian gentile listeners. The vocabulary was rather limiting and probably derived from chatter and chantings of religious ceremonies. Recent research indicates that the vocabulary of specific Judeo-Georgian speech is probably richer than originally suspected (Moskovich and Ben-Oren, undated). Yet it is doubtful whether it ever came into general use; and the researchers themselves stated that: "according to the established view, a separate Judeo-Georgian language does not exist. The Georgian Jews themselves claim that they speak the Georgian language common to them and to the Georgian gentiles." (p.1)

(b) Names

Georgian Jews bear the same names as the Georgian gentiles: both first and surnames. In that sense, they are practically indistinguishable. What is more, first names are Georgian proper - not an adaptation of Jewish names and they do not use separate Hebrew names either as is the case elsewhere. It has been suggested that the use of the traditional Georgian surname endings 'adze' and 'ili' were adopted by Georgian Jews in the second half of the 19th Century. This suggests that at this time there were more opportunities for integration which would indicate Jews could 'pass' as Georgian in certain situations.

(c) Customs

Georgian Jews followed local custom to the extent that even the major religious ceremonies - for example, weddings - differed only "in a few Hebrew songs, of a religious or semi-religious nature" (Plisezki, p.36).

Plisezki noted that the Jews in the mountain areas of Georgia (Racha region) performed the Bussloba ceremony, which is a fertility rite associated with farm animals, although in his day Jews were not shepherds, and he doubts whether they ever were.

Elyashvili (1975) suggested that any respectable girl - Jewish or gentile - would play the Deira (a kind of drum) and the Garmoshka (a mouth organ), traditional Georgian instruments. These days, the proper musical instrument is the piano, which is almost a must in any Georgian Jewish home in Ashkelon - as, it appears it is in Georgia itself.

When I enquired about customary ways of celebrating holidays in Georgia, to my surprise all respondents[2] mentioned the celebration of the Georgian New Year and even Christmas.

> "Jews used to celebrate Christmas together with the gentiles and in the same way: decorating trees, buying presents, putting on fancy dress."
>
> "Christmas was full of joy. We would decorate a fir tree, prepare a huge meal, and wait for midnight, when we would start dancing."
>
> "We used to celebrate Christmas thus: we would take a fir tree and put it in the middle of the house and decorate it with toys, and small lights; and fruits and sweets as well. Around the tree we would put tables with lots of food and drink, and we would give blessings for a good and sweet year (like we bless in the Jewish New Year); and we would celebrate right into early morning. In the middle of any town or village there would be the tallest fir tree, all decorated. And the children would put on various fancy dress . . . I remember (Santa Claus) giving me a kind of 'birthday bag', with sweets and small toys inside."

Another informant explained this puzzling phenomenon:

> "It was a special event celebrated by Jews and gentiles alike. Christmas is a Christian festival, but we would celebrate it because Jews and Christians were neighbours."

Likewise, one informant recalled that, Christians would be honorary guests at Purim.[3] And according to another, they would take part in Simkhas Torah.[4] Both are traditional festive occasions.

Another cultural feature of Georgian Jews, very much a deviation from diaspora Jewish tradition, is excessive alcoholic consumption, especially of wines, which is in accordance with the Georgian gentile way of life. While the non-drinking of wines and spirits was a key difference between Jews and Christians in Europe; Georgian Jews, like their gentile neighbours, even grew their own grapes and made their own wine.

There were no special Jewish dishes, as is common in other Jewish diasporic communities - Georgian cuisine prevailed, but of course the consumption of pork was prohibited, and all Kashruth[5] laws were observed.

1.2 Gentile-Jewish Relations

(a) Formal and Informal Bonds

The strongest bond, that of marriage, was almost out of the question. Jews did not intermarry. Of course, there have been exceptions to this rule - more so in the cities, and from the 1960's onwards, but almost none in the rural areas.

There are a number of reasons for this. Firstly, the religion rules it out. Secondly, the social organization of the Jewish family and the Jewish community in Georgia was very close-knit. The fact that the majority of the Jewish population was rural[6] ensured that there were only a few dissenters. Both Elyashvili (1975) and Plisezki (1931), reporting on Georgian Jewish life in the 1920's and 1930's respectively, commented on their strong communal boundaries. Elam, who studied the migrants upon their arrival to Israel in the early 1970's, was fascinated by their strong ingroup cohesion and outgroup rejection.

A third factor militating against intermarriage was that traditionally couples married young to spouses chosen by their elders. Girls would not usually be more than sixteen years old, whilst men would marry in their late teens or early twenties. Thus the family's authority prevailed and the ability, or wish, to deviate was limited.[7]

Nonetheless, there are alternative bonds to those of wedlock which can unite Jewish and gentile individuals, and through them families. This is the traditional blood brotherhood bond, which still holds in rural Georgia, though the urban population consider it passe. Blood brotherhood signifies the ultimate link between two individuals and their respective families. It is the epitome of a long established relationship, and the ritual is performed as a symbol of that special bond, or in order to publicly demonstrate it.

The ritual is dramatic, and involves cutting a finger (usually the small or middle finger - sometimes both) to let the blood run for a while. Then the appropriate fingers are held against each other thus permitting one's family blood to mix with another's. Symbolically it is interpreted as 'becoming as a brother' (the literal meaning of the Georgian term: **Dzemobili**), or 'as a sister' ('**Dobili**' in the case of females). The ritual can be either private or public, according to circumstances and intentions. However, it is always considered a serious commitment.[8] The commitment affects both families, and therefore the formal binding would be the outcome of a long period of maturation in their relationships sometimes requiring the formal consent of the heads of both families. Despite the fact that I came across several cases of blood-brother/sisterhood the impression shared by my informants was that this was not a common event - in fact rather a rare event. Nevertheless, most cases I heard about involved a Jew and a gentile,[9] and was an expression of the concern to cement a special relationship that extended beyond the individuals directly involved.

A second bond which cut across the Jewish/gentile divide, was provided by milk brotherhood and milk sisterhood which mystically linked offspring of different mothers if they were suckled from the same breast. There were no religious barriers to seeking such attachments from either side of the divide if a mother proved unable to feed her own child. As with blood brotherhood, the milk bond extended at least for the life of the individuals involved and forged links beyond them to members of their wider families. One of my informants had a blood brotherhood link with a gentile family that had extended over three generations. This was not considered vastly extraordinary in such cases.

Besides these mystically backed quasi kinship links based on ties of blood and milk there were other less committing bonds. The Georgian language provides for three types of friendship. Next to **Dzemobili** (**Dobili**) - which can be secured without the aforementioned blood-spilling ritual - stands **Megobari**, a committed friend indeed. The Life History Questionnaire survey indicates that 30 out of 35 interviewees (86%) had in Georgia at least one gentile Megobari, irrespective of their occupation or place of residence (Kulashi, for instance, was 90% Jewish). Naturally, both elements influence the total number of significant gentile relations.

(b) Anti-Semitism and Gentile-Jewish Relations in General

It has long been an uncontested truism among scholars that anti-semitism in Georgia was practically non-existent. A notable dissident in this respect is Aaron Krikheli, Director of the Historical and Ethnographical Museum of Georgian Jews in Tbilisi, who emphasizes a traditional Georgian anti-semitism (1976) going back to the feudal serf system under which yoke Jews were badly exploited. But he is an exception, and relying on Elam and my own experience I can ascertain that the people concerned - the Jews emigrating from Georgia - did not, on the whole, experience anti-semitism. On the contrary they stressed the good relations they had with gentiles. Sometimes these observations colour the background of their present day situation in Israel: "I felt more at home among the Georgians than here among my supposed brothers" is a common remark.

Yet occasionally one was told of anti-Jewish incidents. A woman recalled that as a child at school pork was forced into her mouth by other pupils. A man said that even his close friends would sometimes remark: "You are a hell of a lad - it's a pity though that you are Jewish." And one should remember the Khrushchev drive against economic crimes in the early 1960's - the only ones to be executed in Georgia were Jews. Most puzzling are two blood libel incidents which occurred as recently as 1965 and 1969. Most of my informants also admitted that a Jew would be discriminated against in the second economy. Jews would pay higher 'fees' than gentiles for entrance into higher education[10] and probably higher bribes to secure the running of illicit enterprises.

Nevertheless, compared with other parts of the Soviet Union, anti-semitism was at a relatively low level.[11] It should be borne in mind that the Armenians (for whom there is little love in Georgia) are the proverbial 'scape-goats' - a traditionally hated element and as such are persecuted (Wiles, 1980). Elyashvili (1975) indicates that in Georgian literature it is the Armenian who is picked up as the 'Shylock Type' - not the Jew. The Jews were never, therefore, quite the underdogs of Georgian society, which could explain their relative feelings of ease. Or to take a Marxist view, following Elyashvili and Plisezki, Jews in rural Georgia were never in direct competition with the native population: they were small traders ie. pedlars and go-betweens, while gentile Georgians were on the whole farmers. Admittedly in recent times, particularly in the 1960's, occupational structures have been changing, but so far as is known this had no effect on anti-semitism.[12]

The Georgian people exhibited weaker anti-semitic attitudes on the whole compared to other regions of the USSR, and on the positive side, showed much sympathy under Soviet Rule for the Jewish cause, whether for the active practice of religion during the years, or for emigration to Israel in the 1970's. In the 1960's, before the Zionist revival, Georgia had almost half of all active synagogues in the Soviet Union (while Georgian Jews numbered only a fraction - some 3% - of the total Jewish population). Ben-Ami (1965) recalls how surprised he was to see, in the early 1960's, children praying in the synagogues on the Sabbath, instead of attending school. He tells of an agreement between a particular Jewish community and the Georgian official who was in charge of places of worship. He 'failed' to notice any children (who by an early warning would disappear into the courtyard) on his 'surprise' visits - and probably there was a similar arrangement with the school authorities.

The freedom of Georgian Jews to observe their religious customs indicates a sharp contrast with the consistent oppression of Jews in other parts of the Soviet Union, which was referred to as a 'planned culturocide' (Feuer, 1967).

2. JEWS IN THE GEORGIAN ECONOMY

2.1 A General Overview

The traditional Jewish occupations were in small trade. That is, either wandering from village to village (**Melochnik**), or selling from a stall in the market place, or on the main street (**Korobeinik**). The Jews were often sub-contractors to wealthier Jewish merchants, who were positioned in the central villages and towns. One of my informants, now over 80 years old, still has vivid memories of her father, who was a small trader at the turn of the century and was subject to a wealthy contractor. The relationship between them reflected the not too distant days of serfdom, including the obligatory submissive bow when approaching the patron.

Plisezki (1931) gives a picturesque account of the life of a small tradesman. "He would take on account some stock for about 20-25 Rubles, and on Sunday, early in the morning, he would leave the township to reach a remote corner of the district. Usually he would walk with the goods on his back, in addition to the Talith[13] and Tefilin[14] . . . He would wander from village to village and return home on Thursday evening or Friday to have the Sabbath with his family. By Friday, he would settle the accounts with his employer and take a new load for the coming weekly cycle." (p.138) Some of the payments would be made by barter rather than in cash - they were mostly dairy produce and crops which, through his family, he would attempt to sell locally.

With Georgia coming under the Red flag in 1921 considerable economic changes soon took place, which affected the Jews as part of the native population. The country was regimented into an intense plan of industrialization - after a post-war 'New Economic Policy' recovery period of the early 1920's) - which soon turned into the horrors of the 'Collectivization' of the late 1920's and 1930's, during which period several Jewish Kolkhoz were established (there were eight by 1930), but which ended in economic collapse.

After World War II Jews became occupationally more and more integrated, with the spread of technical and higer education, following the speedy industrialization in the 1950's and 1960's. Neishtat states that "While in the 1920's and even the 1930's many refrained from

sending their children to school; in the late 1940's there were very few who did not attend State schools. In the 1960's there were already a few thousand Jewish students, hundreds of qualified academics, scores of whom exercised the liberal professions, or were artists and scientists" (Neishtat, 1976, p.139).

Neishtat's impression receives support from the Soviet census, which indicates that eighteen out of 1,000 Jews were registered in institutes of higher education in the 1961-2 academic year. And Israeli figures on Georgian migrants indicate that Jews were represented in all economic sectors (Litvak et al, 1981) - though their occupational structure apparently had some specific bias.

2.2 The Georgian Jewish Occupational Structure

In estimating the occupational structure of Jews in Georgia, in comparison with the general occupational structure of the Georgian population, I rely on Israeli figures concerning arrivals to Israel and on official Soviet statistics, as well as on my own data.

Table 1: Occupational Declarations of Georgian Immigrants to Israel (January, 1970 - September, 1979) Aged 15 and Above: Percentage from Total (Adapted from Litvak et al. 1981).

	Men	Women	Total
With Declared Occupation	76.2	37.6	56.5
Without Declared Occupation	23.8	62.5	43.5
Total	100.0	100.0	100.0
Physicians (including Dentists)	1.2	1.7	1.3
Paramedical Professions (Nurses etc)	0.2	20.8	7.1
Engineers & Architects	6.6	1.6	4.9
Academics (Social Sciences & Humanities)	4.2	2.4	3.6
Academics (Natural & Life Sciences)	0.6	1.1	0.8
Teachers	0.6	9.4	3.6
Artists (including Writers, Composers)	4.9	2.8	4.2
Trade (including Retailers)	10.0	3.5	7.8
Craftsmen, Industrial & Construction Workers	57.4	27.0	47.2
Administrative Posts (including Managerial)	3.5	11.1	6.1
Agriculture	0.2	0.1	0.1
Public Services	3.4	8.2	5.0
otherp	7.2	10.3	8.3

Table 2: Sectoral Distribution of the Georgian Working Population in 1970 and 1975: Percentages from Total. (Source: Georgian SSR in 1975 (1976).

	1970	1975
Industry & Construction	27	26
Agriculture & Wood Industry	38	35
Transport & Communication	7	8
Trade	6	7
Public Service (including Health & Education	16	18
Administrative Posts (including Managerial)	2	2
Others	4	4

To start with, we face a large percentage of immigrants with undeclared occupations, of which we can find no reference in Soviet figures. This is due partly to the impossibility of admitting to such a lack in the Soviet Union. But it could also be that Soviet figures do not include the non-working population (the table refers to the 'working population' - yet I could not find any other figures on non-working populations). Lastly, I can not rule out, that for whatever reasons, people arriving in Israel may not have wanted to declare their true occupations.

Three sectors in particular show a large bias of Jewish stratification against the trend of the general population: agriculture, trade and handicrafts. In agriculture (which includes in the Soviet figures also the wood industry) Jews comprised only a fraction of the work-force (0.2% as against 35%). In trade, though the stated proportion of Jews approximates to the overall Georgian level (7.8% and 7%) the real proportion in trade was probably higher because it included a large proportion of those with undeclared occupations. I have to rely in this respect on the overall impression given by my informants (both Jewish and gentile) that trade was a very 'Jewish' occupation. My Life History and Personal Details questionnaire show that 36% of those interviewed were traders.

Handicrafts are another major 'Jewish' occupation. In Soviet figures it appears to be incorporated in the 'Industry and Construction' category (26%), while the Israeli survey has 47.2% of Jewish workers (57.4% of the men) in this category. It is my impression - backed by my questionnaires - that a large proportion of this number were craftsmen (41% in my surveys).

It should be noted that figures concerning the Jewish population relate, of course, to migrants to Israel. They do not therefore automatically reflect that proportion of the Jewish population who stayed in Georgia. In fact since most arrivals were from rural Georgia and those who stayed behind lived mainly in the bigger cities, it would be only fair to assume (having no inverse data) that their occupational structure may be more in accord with the general trend.

2.3 Jews in the Second Economy

The second economy accounts for not only a substantial portion of Soviet Georgia's national economy (25% is a cautious estimate - Wiles, 1980), but it penetrates practically every corner of daily life as will become evident in the following chapters. The paramount question that concerns us here is whether Jews occupied any particular positions in the second economy distinct from their gentile countrymen, or whether in certain spheres their role was so dominant that we might fruitfully speak of a distinctive 'Jewish second economy'.

Broadly speaking, the answer to this is no. Jews do not play any special role as compared with gentiles. Indeed, we can quite certainly ascertain that they do not hold prominent, or central positions - neither in the second economy, nor, indeed, in the formal economy as a whole. For instance, Jewish mayors are unheard of - with the exception of Kulashi, a townlet of which 90% of its inhabitants were Jewish. Jews were generally excluded from the police, both the economic police, or the KGB and the most prominent ministerial post occupied by a Jew was probably at the time of the Menshevik government.[15] These are the important power bases from which Jews were excluded. Traditionally they were pawns and middlemen, rather than decision-takers.[16] The fact that Jews were the only people in Georgia to be executed in the 1960's for economic crimes should not be misinterpreted. These acts were in part a consequence of Khrushchev's anti-Jewish campaign.[17]

It would however be correct to say that Jews maintained a high profile in the second economy up to the 1970's, simply because their traditional involvement in trade and crafts was greater than their relative representation in the country's population, as outlined previously. That is to say, they tended to concentrate on consumer goods, which is a natural focus for second economy activity, particularly in a society like Georgia, where there is great emphasis on extravagance and conspicuous consumption (see Chapter 7, Section 6, The Rules of Informal Trade). And also according to my informants, Jews were preferred associates in second economy activities because "We kept our mouths shut." This argument was consistently given for the common phenomenon of Jewish-gentile cooperation in the second economy. To my mind,

there can be no other explanation for this perception of Jews, except for the recognition that they were traditionally vulnerable; a tolerated minority, who were close to native Georgians and yet were not totally assimilated. They could therefore be more easily threatened and hushed-up, and would hesitate to betray associates. When necessary, of course, they might serve as scapegoats.[18]

3. THE PARADOX OF THE MASS MIGRATION IN THE SEVENTIES

I have demonstarted that Jews were integrated into gentile society both culturally and economically to an extent rarely found elsewhere in the Jewish diaspora. Yet the migration to Israel of 30,000-35,000[19] Jews within a decade which, even at a cautious estimate, represents more than one half of the total Jewish population of Georgia,[20] requires explanation.

The obvious question is: why should so well integrated a people - as is the claim - migrate en masse? Why indeed should a higher proportion of Jews have come from Georgia than from any other Soviet republic.

The usual explanations for Jewish migratory movements - that they arise in reaction to anti-semitism or as an attempt to escape from poverty - do not apply in this instance. Firstly, Georgia has traditionally had a particularly low level of anti semitism, lower indeed than elsewhere in the Soviet Union (eg. Elyashvili, 1975; Neishtat, 1970; Elam 1980; Ben-Ami, 1965). Neither was there any significant upsurge in anti semitic activity at this time. And second, the Jews did not leave to escape from poverty. Soviet Georgia has the highest standard of living in the Soviet Union and furthermore this standard is one in which the majority of Jews have shared.

So we are faced with something of a paradox. Why should Georgian Jews have left a hospitable home that had been so far many hundreds of years, one in which they were exceptionally well integrated, to which they were deeply attached (Ben Zvi, 1963 and Elam, 1980; Gershoni; 1979) and in which they were relatively economically secure? As we shall see, our paradox has a number of strands. It was, however, this very involvement of Jews in, and their acceptance by Georgian society and culture that had a major influence on their migration. This together with the impact of religious Zionism and certain specific events of the early 1970's, resulted in the impressive exodus of whole communities from their motherland (Deda Mitza[21]) to their fatherland.[22]

3.1 The Personification of Nationhood

The fusion between the personal/individual and the national/public; the close association between an individual, his land and his countrymen; and his affiliation to his nation's past and future, are well expressed in the first, famous letter of the eighteen families addressed to world public opinion: the first attempt by Jews in the USSR to publicly challenge the authorities on their right to emigrate.

"Their blood is in our veins, and our tears are their tears.[23] *The Prophecy has come true. Israel has risen from the ashes: we have not forgotten Jerusalem and it needs our hands.*

"There are eighteen of us who signed this letter. But he errs who thinks that there are only eighteen of us. There could have been many more signatures.

"They say there is a total of twelve million Jews in the world. But he errs who believes there is a total of twelve million of us. For with those who pray for Israel are hundreds of millions who did not live to this day, who were tortured to death, who are no longer here. They march shoulder to shoulder with us, unconquered and immortal, those who handed down to us the tradition of struggle and faith.

"That is why we want to go to Israel . . ."

And another public expression: a letter from an ex-Georgian living in Israel, published in the Georgian compatriot monthly, addressed greetings for the 1982 New Year:

"I would like to wish, in the name of the Georgian community a happy New Year to this paper. I would also like to wish a happy 1982 to my land of birth, to my magnificent Vani region, to all inhabitants of wonderful Georgia and of Vani, my birthplace. I hope the New Year will see you in joy and happiness, my dears.

We, in Israel, as compatriots, join you on the eve of the New Year, around the little fir, with tears of joy. New Year greetings, our mother - who gave us life - Tbilisi. From all Georgians in Israel - we toast with you, brothers, to your life."

(Samshoblo, No.57, January 1982)

The fact that an individual is not accountable to himself alone, but is also a representative of his extended family, the institution he works for, as well as his nation, becomes manifest during the feast - a central Georgian institution, to be discussed in Chapter 5.

While in Ashkelon, I was often referred to as 'Englishi',[24] although it was well-known that I was Israeli, but because my institutional affiliation was to England this was considered to be an integral part of my identity. Likewise, an English visitor to Tbilisi was honoured with toasts to England and recitations from Shakespeare.[25] Yet another informant recalls a feast in Georgia after the 'six days war', where - as a single Jew amongst gentiles - he was honoured by a toast "to the Jewish people, the State of Israel and the Israeli Defence Force for its glorious victory."

3.2 Georgian National Aspirations

Georgia has always been known in the Soviet Union as a hotbed of nationalism (Kipnis, 1978; Suny, 1979; Peters, 1981; Parsons, 1982).[26] The 1960's and 1970's saw an upsurge of national feeling as seldom before. This might be an outcome, as Kipnis (1978) suggests, of the aftermath of Stalin's death and the de-Stalinization period, which stimulated fears that Georgia might be further Russified and pushed people to intensify their national identity. This was reflected in a trend towards Georgian rather than Russian schools, a decline in intermarriage and a re-kindling of orthodoxy among the younger generation. The very high proportion of Georgians who consider Georgian as their native language remained stable over a decade (99.4% in 1970 and 99.5% in 1979), while those claiming fluency in Russian dropped from 42.6% (in 1970) to 39.8% (1979)[27] (Parsons, 1982).

In addition, however, one should not underestimate the relative relaxation of the Khrushchev and Brezhnev era as compared with the reign of terror in the time of Stalin and Beria, which probably loosened inhibitions in expressing criticism of the official line.

It is against this background, as well as on the basis of the fundamental configuration of Georgia as a multi-national society, that it was perceived as only natural for Jews to want to return to Zion where their national identity could find fulfilment. It was not only the Jews who defined their identity in the general upsurge of Georgian national spirit - but Georgian nationalism itself was encouraged by the Zionistic wave which swept through whole communities, and which gave it further momentum. This accounts, to a degree, for the relative ease with which Georgian Jewry secured official permission to emigrate in comparison with other regions of the USSR: a point confirmed by Elam (1980), who studied Georgian Jews upon their arrival.[28]

3.3 Religion and Zionism

Like Jews everywhere, the two features of religious observance that precluded assimilation were the observance of distinctive dietary laws and the operation of the Rule of endogamy - insistence on marriage only with Jews. Jews in Georgia, however, ate the same foods as Georgians (except for pork) and mostly prepared them in the same way so that their dietary laws were not as divisive as elsewhere. The principal barrier to assimilation arose from endogamy. I have no firm figures on the rate of intermarriage between Jews and non Jews but my informants are all agreed on its rarity. There are indications, however, that the intermarriage rate, though low, was increasing throughout the 1960's (Neishtat, 1976).

One of the principal reasons for this widespread acceptance of an endogamous norm conforming to the ideal, lay in the tight social organization of relatively small scale, face-to-face, communities which were able to be sustained by a relative ease in religious observance. The Georgian authorities did not make worship as difficult as in other Republics and it is recorded that in the 1960's about a half of all synagogues in the Soviet Union were in Georgia - though that Repubic contained only 3% of the Union's Jews (Schreider, 1979).

Linked to this active religious life lay the central role of the Khachamim - the religious, spiritual and communal leaders of their communities. Among their functions was the administration and control of an informal system of internal taxation and redistribution as well as their acting as judges in the solution of disputes - both secular and religious.

For such leaders the observance of the Zionistic ideal of migration to Israel was backed by a religious fervour to return to Zion. When the doors to migration had been partly opened prior to the outbreak of the first World War, there had been an exodus of 500 people. A second group of twenty families had followed in 1926 when the Georgian regime had actually encouraged the move with financial aid (Elyashvili, 1975). For the rest, their involvement in Georgia was too integral, the difficulties in moving too great or the lack of Zionist leadership and organization too considerable. Neither 'push out' nor 'pull in' factors were strong enough to resolve their relative inertia. And for most of the period from 1926 the doors had remained closed.

3.4 The Catalyzing Events of the Seventies

The doors to migration were finally opened only through the occurrence of two events operating together that were to act as the catalyst which initially allowed the Khakhamim and then over 30,000 of their followers to migrate in four years. These events were the Middle East's Six Day War of 1967 and the fall of Georgia's First Secretary, Vasily Mzhavanadze in 1972. The first was to link Georgian Jewish consciousness to an identification with the State of Israel. It directly led Georgian Jews to become the first of any Soviet republic to pressurize the authorities to permit migration. The second was to plunge Georgia into turmoil because it disrupted the basis of its personal support networks: indeed reverberations from the Mzhavanadze scandal were to extend throughout the Republic.

(a) The Six Day War of 1967

Israel's astonishing victory over its neighbouring enemies had a significant impact on Georgian Jewry. Almost everyone to whom I spoke mentioned this event as a milestone in Jewish identity. For the younger generation it was of particular importance. It was the first major event in which they could identify with the Jewish State.

There was another side effect of the Six Day War. Soviet propaganda directed at its own nationals started to be applied against Israel, with which the USSR had broken relations at the start of the conflict. The aim was to mobilize Soviet opinion against the Jewish State. In Georgia, however, this had the reverse effect of that intended. In accordance with the Georgian rejection of things Russian, this negative propaganda was reinterpreted and Israel's attraction grew. As one informant put it:

> "We were certain that Israel was only short of being a little America, exactly because it was blackened in the Soviet media. We thought: 'If the Russians put so much effort into this campaign, it is because they are trying to disassociate us from a very good idea.'"

Much of the prevailing perceptions of Israel derived of course from the Soviet blocking of information and with misinformation. "Until the 'Six Day War' I knew there is a place on the globe named Israel but I didn't know it was a Jewish state" an informant said. "All I knew about Israel that there is a Jerusalem, and that it is the focal point of Jewish life. But I really had no idea what Jerusalem was like or anything else," said another. Undoubtedly, however, a part of this naivité has to do with ethnocentricity, especially of rural Georgia. Elam tells about the Georgian Jew who was actually surprised to find out that Israelis did not speak Georgian.

We should not forget the implications that the image of a victorious Israel had on a predominantly Macho society. At that time I was told, "people would greet each other in the street by covering one of their eyes with the palm: a sort of 'Dayan salute'" - in imitation of Israel's one-eyed war hero. There is little doubt, that this admiration extended to the non Jewish population of Georgia.[29]

(b) The Fall of Mzhavanadze

On 29th September, 1972, Mzhavanadze, the First Secretary of the Central Committee of the Georgian Communist Party, was ousted by Shevardnadze, until then Minister of Internal Affairs, in the aftermath of what Kaiser (1976) has labelled "perhaps the biggest political scandal of modern times." Mzhavanadze had ruled Georgia for 19 years and under him corruption had thrived to unparalleled levels.

When Shevardnadze came to power, the tide turned. He had the reputation for being honest, tough and determined to end the state of affairs he had inherited. Mass purges followed and prospects looked gloomy for many in Georgia. Uncertainty and insecurity mounted as peoples' personal support networks collapsed under this centralized onslaught. According to various sources, a power struggle persisted for months which still further increased insecurity: there were even attempts on the life of the new ruler.

Jews had particularly good reasons to fear these developments. In Khrushchev's time, Jews were the only ones in Georgia to have been executed for economic crimes (Schreider, 1979) and given the traditional Georgian Jewish occupations of small merchant, pedlar and craftsman (see para. 2.2), their stake in the second economy was probably higher and their vulnerability greater than that of the average Georgian. In this sense, the change of government functioned as a 'push out' factor.

We can see the joint impact of these two short-term catalizing events through emigration figures. In 1969, 400 Georgian Jews left for Israel and in the following year all migration was stopped. In 1971, with the opening of the gates, however, 4,300 Georgian Jews emigrated (making a third of all Soviet Jewish emigration). In 1972, the year of the change of government, this figure had grown two and a half times to 10,900 and in 1973 it was still high at 7,450. However, from 1974 onwards there was a marked decrease in emigration to 2,670 and throughout the rest of the 1970's the numbers per year rarely exceeded a thousand - and were usually much less (Litvak et al, 1981; official Israeli figures).

Apparently, by the time of the Yom Kippur War in October 1973, the halo effect of the Six Day War had faded and by 1974 the Shevardnadze regime had stabilized. The euphoria on one hand and panic on the other had both decreased. But the pull effect of the one and the push effect of the other had worked together to produce in proportionate terms, the highest rate of migration in the shortest time from any Soviet republic - and an excellent data base to draw from for the present study.

Questions Answered

I started this chapter by raising two issues which referred to the overall question of whether the sample used in this study would be adequate for research purposes.

Concerning the general issue of cultural representation three expectations were put forward:

- That, as natives of Georgia, the studied people should reflect in their behaviours and attitudes some aspects of their host culture.

- Better than this, if as a minority group living along with the majority, the selected sample can give evidence about the general population.

- Better still, if it can be established that the selected sample not only lived among their gentile neighbours, but in practical terms lived with them and shared similar beliefs and customs, then their contributions can be regarded as disproportionately valuable.

I believe the selected sample satisfies all three expectations. Not only did the people concerned reflect their native culture and live alongside the Georgian majority, but in practice they were closely associated and integrated into Georgian society and culture. Indeed, rules of endogamy and dietary laws were observed and these precluded full commensality - nevertheless some Jews did, on occasion, intermarry. They also participated with gentiles in drinking sessions - a vital dimension of Georgian social life (see Chapter 5) and the overwhelming majority of my informants had at least one close gentile friend.

The second issue, that of economic representation raised two expectations:

- That, as a minimal requirement, the people in our sample have observed Georgia's second economy in action, they can - and do give evidence about their observations.

- Better than this: if as participants in the second economy of Georgia, they give evidence particularly of their participation with and alongside non Jewish Georgians.

Here again I have demonstrated that not only were my informants observers of second economy processes and not only were they participants in second economy activity - but indeed they were substantially integrated in Soviet Georgia's second economy.

While in some sectors of the economy - notably agriculture and the higher economic levels - they were largely under represented, in others - particularly in trade and handicrafts they were deeply involved, thus allowing for a massive concentration of knowledge. As I shall show, it was their relative over representation in trade that allows a disproportionate access to data about much of Soviet Georgia's second economic activity.

NOTES

CHAPTER 3

1. Mead (1953) states: "Each informant is a representative of his culture when his sex, family, history, intelligence, type of experience in and outside his culture, and his relationship to the anthropologist are taken fully and properly into account" (p.44).

2. In the Life in Georgia Questionnaire (See Chapter 2 on Methodology).

3. Purim - A Jewish holiday. A festive occasion with a carnival-like atmosphere.

4. Simkhas Torah - The Celebration of the Law. Another jubilant occasion with dancing and singing.

5. Kashruth - the Jewish dietary laws.

6. Georgian Jews lived in twenty-three settlements, of which eight had less than 10,000 inhabitants, eight had between 10,000 to 30,000 people, five had between 30,000 to 100,000 inhabitants and only two had more than 100,000. (Based on the 1959 census, excluding the Ashkenazi community, largely concentrated in the capital, Tbilisi) (Altshuler, 1980).

7. There were (and still are) sanctioned deviations. A couple may elope if parents have refused permission for them to marry. This is a way of pressurizing for consent, but within known limits. Outmarriage would not, however, be tolerated.

8. I heard of several cases of teenagers experimenting with blood-mixing (the socialization of becoming a Georgian?) without necessarily attaching the proper significance to the ritual.

9. For second economy activities, such a bond has particular significance as it clearly shows a deep Jewish integration in the general (second) economy.

10. Simis (1982) notes the 'entrance fee' to the Tbilisi Medical School was 15,000 Rubles, but according to my information Jews were charged up to 50,000 Rubles.

11. Gitelman (1977) who interviewed Russian Jews in Israel in the 1970's found that "over three-quarters claim to have experienced anti-semitism 'often' or 'sometimes'." (p.551)

12. And yet it would be wrong to dismiss the outbursts of blood-libel in the 1960's as minor affairs. The authorities, for obvious reasons, played them down and incidents hardly received any publicity. It could well be a populist shaping of an official anti-semitic stand of the time. In any case it requires further investigation, which is beyond the scope of this research. (My thanks to Ron Heisler for drawing my attention to this point).

13. Talith - A prayer shawl (religious symbol of dress).

14. Tefilin - 'Phylacteries' (Small black leather boxes containing religious scrolls and worn during prayer).

15. Joseph Eligulashvili, Finance Minister.

16. Feuer (1967) who visited Georgia in the late 1960's noted that "I never heard of any Jew among the 48 members of the Institute of Philosophy and my synagogue acquaintances (in Tbilisi) knew the name of no Jew on the faculty of Tbilisi State University" (p.100).

17. 55-60% of all those shot for bribery, embezzlement and speculation under the 1961 Soviet legislation were Jews, even though they constituted only 1% of the total Soviet population (Leibler quoted in Staats, 1972).

18. Another common reason given is that 'Jews are good in business': meaning they had a special talent for trade. This was a common belief among my informants and, as far as I was able to check, was also held by Georgian gentiles.

19. According to official Israel figures (Litvak et al, 1981) there were 29,933 Olim (migrants into Israel) from 1969 till March 1980. However, I estimate the figure is closer to 35,000 to include arrivals from other republics: according to Altshuler (1980), 10-15% of Georgian Jews lived outside Georgia.

20. That is, if we accept Altschuler's (1980) estimate that there were some 50,000 Georgian non-Ashkenazi Jews prior to the beginning of emigration. The overwhelming majority of Olim were non-Ashkenazi.

21. Literally meaning 'motherland': the most common expression for Georgia.

22. Fatherland (or ancestors land) is the common term for Zion.

23. This refers to Jews of past generations, who lived in the diaspora and longed for Zion.

24. Meaning, 'Englishman'.

25. Mars (1982) personal communications.

26. This point has already been discussed in the first chapter.

27. Though this drop might not be statistically significant: being relatively small, the collection of data might account for the differences.

28. An article in the London Times at that period reveals ". . . the Georgian authorities have permitted a unique experiment: the creation of a Jewish 'public committee' to decide the order of priority in granting exit visas for families wishing to go to Israel. (D. Bonavia, 28.9.71)

PART II

THE CULTURAL BASES OF SOVIET GEORGIA

AND ITS

SECOND ECONOMY

CHAPTER 4

THE CORE VALUES OF AN 'HONOUR AND SHAME' CULTURE

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> *"Although the people of the Caucasus speak many languages and profess a variety of different religions, the region possesses a characteristic atmosphere and way of living which permeates every racial group and walk of life."*
>
> *(Lang, 1962, p.3)*

1. INTRODUCTION

It is a central argument of this thesis that economic activity - whether open or hidden, primary or secondary, cannot be fully understood except in the context of its cultural setting. Accordingly therefore, it is necessary to identify and itemize those aspects of Georgian culture that play a leading role not only in justifying but also in facilitating the behaviours with which we are concerned.

1.1 Town and Country

Since my analysis is derived from investigating people who came largely from small towns in rural Georgia - though this is supplemented by other sources of information - it should be born in mind that things might be somewhat different in the larger urban centres, which house about a half of the country's population. However, there are close links between town and country (Dragadze, 1976), and:

> *"It is apparent that Georgians consider rural Georgia as the repository of the nation's cultural heritage, a fact evident not just in the fine arts, in poetry and prose writing, but also in the considerable body of research into Georgian folklore, dance and music, as well as in films."*
>
> *(Parsons, 1982, p.555)*

1.2 The Main Features

It has often been noted that Georgians resemble Mediterraneans in their looks, manners and emphasis on competitive assertion (eg. Smith, 1980; Maclean, 1980), and indeed their competitive way of life has many features similar to those found along the shores of the Mediterranean (Peristiany, 1966; 1968; Davis, 1977). This is not surprising considering its geography and climate, and the foreign influences that have shaped Georgia for centuries.

The values outlined here comprise the main features of Georgian culture and as we would expect, these are reflected in its second economy activity. They include first and foremost the principles of honour and its corollary - shame. Both are social building blocks that underlie the competitive pressures which account for much of the Georgian way of life. The family is of supreme significance as a source of social identity, support and standing, while friends occupy the dual role of intimates where trust and caring rule; but who are also potential rivals in a competition for social standing and personal achievement. Competition is taken to extremes by reckless risk-taking; and dare-devilry falls only short of success in valuation.

1.3 A Word of Caution

It should be made clear at the onset that there is often a wide divergence between stated ideal norms and actual mores. This is because the Georgian society is dramatic, which implies public impression as against indoor portrayal; high statements and decisive actions. A man by Georgian ideals should be resolute, impetuous and assertive. And men are those who dictate.

Hence, when I quote informants saying: "I will kill her instantly" or "It is better to be dead in such circumstances" these cannot be taken simply at their face value, but should be judged against the said backcloth. It should also be borne in mind that speakers disclosing information to an outsider will aim to present their culture in strong, clear and positive colours. This tendency is in line with the Georgian way of demonstrative 'showing-off'. Therefore even personal declared actions are more a directive of how things should be rather than an indication of how they are. Nevertheless, when measured continuously one against the other, both intent and deed could sketch a precise picture of the actual workings of a culture. This is the aim of the present chapter.

2. HONOUR AND SHAME

Honour, and its corollary, shame, are the driving forces of Georgian society. Honour is both ascribed and achieved, and so is shame. One has constantly to prove oneself. If born into an honourable family, a person has to act accordingly - there are clear expectations from men and women as to what constitutes honourable behaviour. But even the low-born from non-prestigious, even shameful, backgrounds can gain recognition by behaving honourably. If lucky, an individual can achieve status and elevate his close family with him. For a man that would mean showing himself to be courageous and fearless - and this applies to a wide range of activities: from bravery on the battle-field, through occuping a prestigious position,[1] to taking high risks as a performer in the second economy. (While success is desirable, failure in such circumstances still counts almost as much as success).

2.1 Honour

According to ideal presumptions a man should be loyal to his family, his friends, and his (national) collective identity. A man should keep his word, and a promise is a promise - whatever the circumstances.[2] Of such a man, it would be said: "**Katzia katzuli**" - He is a man. But manliness also requires a certain physiognomy: a man should be broad-shouldered, preferably tall, and give an impression of resolution, fearlessness, determination and a sort of repressed aggression. Accordingly a man who was only 150 cm tall and looked particularly fragile came to consult me,[3] in complete sincerity, as to whether he would be eligible to claim invalidity (which carries some occupational and taxation advantages) on the grounds of his 'unmanly looks'. On another occasion a close informant recalled an embarrassing moment in his adolescence, when he was made **Tamada**,[4] on the grounds of his impressive physical build - though in fact he was a poor drinker. A man is judged by his drinking ability (an issue to be discussed at length in the next Chapter) and "this is considered to be a gift of God," as a Goliath who emerged victorious from a drinking competition disclosed to me confidentially.

Georgians admire beauty and a beautiful wife is most desirable even if her ascribed background has some deformations (eg. a poor family). But she ought to conform to the desired image of **patiosneba** (honesty), which implies modesty in character and sexuality and submission to her husband - and his family (of particular importance if married to the youngest son who traditionally lives with his elderly parents). A woman is expected to be soft and gentle physically as well. Yet fragility and slimness are unhealthy.[5] Afer all, a woman has to cater for her household and she has also the serious task of 'raising the young Georgian men' as the well-known poem To the Georgian Mother by the 19th Century poet Ilya Chavchavadze, states.

2.2 Shame

Shame, which is the other side of the coin, is a sign of Cain. It is a sin and contagious. It is particularly bad since it implies the loss of honour. Shame can actually kill, and deaths have been attributed to a shameful event in the family, which the deceased 'could not bear to live with.' Sometimes, as the Georgian saying suggests, 'it is better to lose your head than your honour.' Which means that if one's honour is at stake, life matters less. In the famous novel The Guardian[6] by the 19th Century author, Akaki Tsereteli, the guardian tells his protege who has committed an inexcusable sin (he has slept with his best friend's wife) and who now wants to kill himself: "You are not worthy to die; it is I who should die because I have failed to bring you up as a man." Suicide, the ultimate sacrifice, is perceived as compensation, at least partially, for the sin committed and a way to restore something of one's lost honour. By denying him the right to do so, the old man passes a judgement that the sinner should never be forgiven.

Of course, ideal standards are different from normal practice, and there is always a distance between declaration and deed ('attitude' versus 'behaviour' in the psychological jargon). In Ashkelon, a man whose wife was found indoors with a stranger, and it became public knowledge that they were caught in these embarrassing circumstances, drove her out to her parents' home and he himself left town for over a

year. No one mentioned the possibility of murder or suicide, though a close informant thinking aloud, said that "If that had happened to me, I would have killed her instantly, for sure."

And yet in another case, back in Georgia (Account VI in Chapter 8: Crisis Events), the ultimate sin of betraying a partner in an illicit business and giving him away to the authorities, did not result in any revenge or intolerable shame. The reason being that the victim was socially too weak (he had no close friends and was on bad terms with his family) to create a stir. Thus this victimization passed unchallenged. It is not the sin itself then that causes the shame - but the impact that is made on one's public image and the need to answer accusations, echoed by the victim's relatives and friends.

Honour is clearly a man's domain, as elsewhere in the Mediterranean societies (eg. Peristiany, 1976). Any matter regarding women in this respect is relevant only if it bears on the honour of men and if made public. Two attempted suicides made by women during my stay in Ashkelon had nothing to do with matters of personal honour. They were desperate attempts of protest against the unbearable position of a young woman overpowered by her mother-in-law and at the mercy of her husband and his family.[7] By making a public affair of what is normally a private domestic issue, the two women shadowed their husbands' respectability as well as that of their families; they forced outside intervention. In one case I know of, the husband's close friends compelled him to concilliate with his wife. And for a good reason: a friend's shame involves <u>their</u> honour as well. They have a vested interest in protecting his honour and he is obliged to take this into consideration. In this kind of society a person is not accountable to himself alone: he is a 'social animal' (Aronson, 1969) indeed.

2.3 Trust

Trust is interchangable with honour. A man who is not trusted has no honour: a man without honour cannot be trusted. A Georgian saying puts it tersely: "Who has lost the trust of others, he is dead to everyone." In this kind of society to be dishonoured is to face social death. It is discredit that extends beyond the individual to the whole family. However, not only the core family but associated

in-laws as well as friends and friends of friends (the network): "Who loses the trust of others, he loses friends as well" goes another Georgian saying.

Of course trust is a fundamental requirement in the operation of the second economy. When dealing illegally one cannot make contracts nor ask for the help of the law. Therefore a man's word has to be his bond. An illegal financier who used to give loans solely on a man's word of honour told me that a person who would misuse the trust given to him would be socially excommunicated.[8]

One way to examine the inter-change between trust and honour is to look at the way loans are credited at times of crisis. Normally this would be without written evidence and for a non-specified term (see Chapter 8 on Crisis Events). It is the borrower's obligation to see that the loan is repayed as soon as possible. If he fails to do so, he cannot escape public knowledge of his shame.

In Ashkelon I was told about an unkept promise to contribute money towards purchasing a flat for a newly-wed couple. The alleged sinner was the father of the bride and it was disclosed to me by the groom's father himself, to whom the commitment was made. While at first I was flattered by the thought that I was so respected to be allowed into his confidence, I soon learned that <u>all</u> the community were aware of this fact and it was considered such a disgrace that even a foreigner, like myself, should be informed.

3. THE FAMILY AS THE NUCLEUS OF HONOUR AND SHAME

To be accepted in Georgian society ideally requires the possession of descent and membership in families where both sides are noted for respectability. Georgian families are bilateral: they trace descent on both sides but stress the male line and within it an emphasis on agnates - on the solidarity and mutual obligations of brothers. When an individual's acts are evaluated this is done in the context of an assessment - and a continual reassessment - of his family and its honour. The same assessments, though less pronounced, apply also to associates and to friends.

3.1 An Individual's Effect on Relatives

This perpetual reassessment of personal honour - in the wide social circle - brings pressure to bear upon the individual to follow the mores, because failure to do so not only damages himself but necessarily contaminates his relatives as well. A mother told a schoolmaster, to whom she went to complain about her daughter whom she suspected of seeing a young man without permission: "One of these days I might kill her. It would be better that way for her and her family." Another person, whose sister-in-law's brother was convicted for a criminal offence, told me: "I am ashamed to show my face in public." Honour and shame project forward and backwards in time. A person's deeds will affect his offspring: "This child is doomed" a close informant told me, regarding a four-year old boy: "He will always be remembered as the son of . . . and his father is a total failure."

The deceased are also part of the extended family. Plisezki (1931) notes that, according to popular belief, death is a result of an 'invitation' by a deceased to his relative to join him. Grigolia (1939) quotes a case among the Georgian Highlanders where, in 1881, a judicial decree decided against the great-great-great grandsons of a husband who had not buried his deceased wife with the necessary honorary customs two hundred years before. The claim came from the fifth generation descendants of the woman. Since it has such an appeal to the living, events in the past can be used to manipulate situations in the present - the yesterday thus becoming part of the social weaponry of the here and now. Similarly, the Georgian Jewish claim for going

to Israel, as put forward in the famous letter of the eighteen families in August 1969, was strengthened by the will of their forefathers:

> *"There are eighteen of us who signed this letter. But he errs who thinks there are only eighteen of us . . . they say there is a total of twelve million Jews in the world. But he errs who believes there is a total of twelve million of us. For with those who pray for Israel are hundreds of millions who did not live to this day . . . they march shoulder to shoulder with us . . . immortal."*
>
> *(Schreider, 1969)*

The deceased were always present in any feast I attended - the feast being the common public gathering of mens 'significant others' (see Chapter 5). A toast to their memory would take place at an early or a later part of the feast - depending on their relation to the toaster and how recent their departure was. However they would never be omitted. By honouring his deceased a man honours himself.

3.2 The Place of Women

Women are important in Georgian society as the articulation points between groups of males and as the ensurers of male descent. Whereas the honour of men is achieved by assertion and dominance, the honour of women is passive and strongly associated with sexual modesty. As with manly honour their passivity reflects also on the wider honour of their family and therefore on their menfolk, and to a lesser extent on that of their associates. A recent observer notes:

> *"Despite advances made by women, their position in the household and society in general is governed by the rules and mores of an often idealized version of Georgia's past. Women are expected to conform to an ideal, summed up in the word '**mandilosani**' . . . (which) suggests an image of modest, grace and sexual passivity."*
>
> *(Parsons, 1982, p.564)*

Virginity is still a pre-condition of marriage, which is only successfully consummated after the wedding night is over. On one occasion a close friend threatened to resign his honorary post as best man to the groom because the latter declined his advice not to spend the wedding night in a hotel in Eilat (which is the Israeli custom) "otherwise, how will you prove that the bride is a virgin?" The 'sheet test' is the groom's family privilege.

A woman, however, is not only supposed to avoid inflicting shame on the family. She can and is expected to contribute actively to its honour - by keeping a clean and well-maintained household, by always being ready to receive guests with food and drink, and by keeping her beauty and appearance (which do not contradict sexual modesty). Since she is, in a sense, a display asset to take pride in.

If exceptionally talented, like a gifted pianist or an academic, a woman is projecting her success directly on her husband. And since this is rather rare,[9] a man's prestige gains considerably. When 'Doc' once wanted to impress a potential informant, he revealed to him that my wife was a professional in her own right and 'a doctoral candidate'. Yet this does not eliminate a wife's domestic obligations;[10] the fact remains that, however able, a woman can only achieve social standing via her husband. To be unmarried is a fault of her and her family alike.

3.3 Obligations and Honour

One's family are one's roots and the entrance ticket into society. I believe that my position in Ashkelon was not established until I was able 'to prove' that I had a family, which thus provided me with a history and a belonging to which others could relate. An almost standard greeting question would be: "And how are your parents and the family?"

Since the emphasis is on the male line, the number of brothers is a major determinant of a family's strength and hence any member of it. The lack of brothers or the early death of the father of the family, or an infertile couple, are shortcomings which damage the whole familial unit. This is because male members of the family are the backbone

of a person's personal support network - which is the main building block of social standing and, among other things, the key to successful operation in the second economy.

Members of a family are expected to stick together and support each other. If in need, it is the family's task to help. When I was once approached to raise money in England for the benefit of a family in Georgia whose head was in prison, I had to give my word of honour that I would not tell anyone in the community about the request. When I wondered about the reason for secrecy, the bitter reply was: "Because it's shaming. People will come and ask: 'what happened? why do you have to ask outsiders for help?'" What I did not know at the time was that this family was negotiating the engagement of a daughter, and therefore 'the shame' could have had an immediate adverse effect if it had become public knowledge.

On another occasion in Ashkelon, when a family was required to raise money for a wedding ceremony, the contributions fell considerably short of the necessary income.[11] The next day, the close relatives - the groom's three brothers and his father's brother together with the best man - paid the difference.[12]

It is symptomatic that during my stay in Ashkelon only one case of a public appeal for funding a marriage came to my attention (and this, I was told, was only the second time it had happened in eight years). In this case the family had no single first rank male relation, except a chronically ill uncle. The person who subsequently took upon himself the task of raising the money, by approaching a number of donors, was a rather distant relative. He considered it a must to help in this crisis, yet he was distant enough not to shame himself and his own family by asking for charity.

3.4 Wealth and Honour

As is common to the people of the Mediterranean, wealth is the primary determiner of a family's honour:

> *". . . the argument that honour is chiefly related to wealth - is an idiom in which differences in wealth are expressed. From these differences are derived differences in honour: poor people have less honour than richer ones and may therefore be insulted, treated as dishonourable, without damage to the honour of their superiors. In particular, the women of honour inferiors can be seduced with impunity."*
>
> *(Davis, 1977, p.89)*

It is here that we find the motivation to strive for success and wealth and particularly to do better than the comparable reference group. And of course the principle is not to hoard wealth but to consume it and conspicuously - for everyone to see. As my informants say: "When the house is empty - then where is your honour?"

4. FRIENDSHIP

4.1 The Peer Group

Although one's initial social position is ascribed, the young man nevertheless is expected to form his own peer-group with whom he is to spend much of his time. Choosing friends is a serious task, upon which a person will be measured by the quality and depth of his associates.

The peer group is second only to his family in importance. And since Georgian social life is in many respects structured on the basis of age, peers therefore become an important source of personal support as well as a primary source for social approval. Mars (personal communication, 1982) noticed that 80% of people walking together in Tbilisi's streets were of the same age group. And a photographer's booth, off Rustaveli Avenue, displayed specimen photos showing groups that were nearly all of the same age and sex: 23 out of 26 photographs were all of the same age and sex and the other three portrayed people of the same age and mixed sex.

Partners, who operate the numerous small enterprises of Georgians in Ashkelon, are nearly always of the same age group, except for businesses run by families. And partnerships in the second economy back in Georgia are, according to my informants, similarly organized. So it was in the case of The Biscuit Factory (Chapter 6) and in The Four-Partners Store (Chapter 7).

Since Georgian society is very much age-structured, associations and referrals to others who are in a different age group will typically be channeled through the appropriate relation who is the right age. Thus, in order to speak to a man in his fifties or sixties, the best way I found was to approach his son, who would be roughly the same age as myself - or approach through a close male relative in the same age group.

The following account discloses how a young person was recruited in this way to the services of a second economy 'big man':

> "I was eighteen at the time and the family was very poor - my father was just released from jail.[13] I had a stall in the market, like my father before me, where I was selling anything that came my way.
>
> "One day I noticed X observing me from a distance. He was the head of the local cooperative,[14] to which I was subjected. I thought he is checking on me, so I carried on working fast and efficiently. He approached me and said: 'I got a shipment of overcoats. Do you think you could sell some?' I replied that I would sell anything I can get. 'All right, then go to the warehouse and tell them to give you two boxes' he said. I did as he told me and sold the stuff in two hours. The following morning X came around and asked me how was the sale going. I told him that I had no problem in disposing of the goods and asked if he had any more. Instead of replying he said: 'Come tomorrow morning to my office and bring your dad with you.'
>
> "I did not understand what he meant by that and was rather worried. However, we did as he told us. The next morning my dad and myself entered his room.
>
> "He offered dad a seat and I stayed standing. And then he said, addressing all the time my father: 'I noticed your boy and he is clever and industrious. I would like to give him the opportunity to advance himself. I will supply him with goods which yield good profit. I do that because I know you and trust you, and that is why I am ready to give him a chance. However, this is being done with the understanding that you guarantee for him. I will work with your son in the future as if I am working with you.'"

4.2 The Meaning of Friendship

In Georgian one differentiates among three levels of friendship: **DZMOBILI (DOBILI** for women), **MEGOBARI** and **AMKHANAGI** - which relate to the degree of emotional involvement and personal commitment.

DZMOBILI literally means 'like brother' and it suggests a very close bond.[15] A DZMOBILI is often a blood-brother and even if the formal ceremony does not take place,[16] he is considered a blood-brother in spirit and counts as a member of the close family (belongs to one's 'personal cell' in Boissevain's terminology (1978).

MEGOBARI is a very close friend.[17] Not as close as DZMOBILI (who is really a substitute brother) but almost as trusted and committed to. While not all my informants would have DZMOBILEBI, everyone would have MEGOBAREBI. And they would actually comprise the closer circle of friends with whom a person would associate almost daily. Often MEGOBAREBI are drawn from the workplace, thus providing a link between formal institutional roles and informal social life: an essential lead to second economy activity (see Chapter 5).

AMKHANAGI is the more ordinary kind of friend. To be labeled as AMKHANAGI means to belong to one's intimate social circle, but it does not imply any particular commitment nor a special bond.

DZMOBILEBI and MEGOBAREBI are persons with whom you can trust your most intimate secrets, with whom you can relax from the pressures of a constant need to show off and with whom you do not need to engage in the battles of conspicuous display. With them you can share your failures without the threat of mockery and ridicule and you can depend on their help in any sort of trouble. By definition, such true friends are bound to be rare and they have to endure considerable testing before a really close bond can be established.

In Ashkelon I attempted to call 'Doc' my closest friend, 'MEGOBARI' (I never dared even to suggest that we might be DZMOBILEBI). And while he did not object to me calling him so, he made it perfectly clear that "to become one's MEGOBARI is a serious matter. That does not happen from today to tomorrow." This is because such a relationship

involves more than just an individual commitment. It is essentially a social arrangement involving one's total social resources to what may often prove to be considerable obligations. And of course one's honour and the honour of the close family and associates are then at stake. The choice of close friends is therefore a serious matter and the Georgian language contains numerous proverbs stressing this point:

'Be slow choosing a friend, slower in changing one.'
'Tell the secret to your friend and if he keeps it, trust him.'
'To know[18] your friend you need the time.'
'Always prefer old wine and old friends.'
'One old friend is better than two new ones.'
'Sudden friendship provokes regret.'
'Real friendship does not die.'

Betrayal by such close friends is therefore considered a fatal blow. Alexander Azbegi, in his novel Khevis-beri Gocha,[19] captures this point by describing the terrible consequences of such a betrayal.

The single son and heir of the aging tribe leader is leading his people in the fight against their enemies. At a crucial stage of the battle the hero leaves his position to make love to his closest friend's wife. As a result the battle is lost and when the bitter truth comes out, the old man in his anger and agony, stabs his son to death, crying: "He who betrays his friends is not worthy of living." These are then the consequences of betrayal: a ruined young couple (the husband kills himself from shame; the wife disappears); a noble family uprooted (the hero is murdered, the old man becomes mad); a people who lose a battle. Personal betrayal leads to national disaster. What could be worse than that?

4.3 The Inbuilt Cultural Paradox

The ideal standard set for friendship is high, and the tests to which a friendship is subject are often considerable. Since Georgians are so competitive the peer group becomes the natural arena for contest, as it is also the primary social reference group. This means that at the same time, young men are pushed to find their friends from among their potential rivals. This is why on the one hand we find the

almost obsessive pre-occupation with trust, the sanctity with which friendship is treated; and on the other hand the ever present suspicion, uncertainty and insecurity.

This is why the choice of friends requires good judgement and betrayal is considered a major disaster. For those operating in the second economy it poses particular problems (see Accounts III and VI in Chapter 8).

Indeed, the high standard set highlights the underlying cultural instability. The constant stress on the necessity of loyal friendship (and the miseries inflicted by its absence) indicate the very instability of these relationships, which is the inevitable result of competition. Competition after all implies comparative ratings: if A is higher in a particular aspect or in the overall valuations than B; B is necessarily lower than A. Unless they can operate in different leagues (and sometimes not even then) the result of such demonstrative comparisons[20] - who drinks harder, who dresses better, who is wittier, who scores higher in the game - yields suspicion, tension, frustration and insecurity.

As will be elaborated upon in the next Chapter, one of the functions of the feast (which is usually the meeting place for the peer group and an opportunity for controlled competition) is continuously to reaffirm the hand of friendship and to reassure mutual commitment and loyalty.

5. COMPETITION

> *"Georgians . . . (are) so avid for personal glory that they will sacrifice their fatherland or their sovereign for the sake of their own advancement."*
> *(Prince Vakhushti, the 18th Century Georgian historian, quoted in Lang, 1962, p.18).*

Within family groups spheres of action are well-defined; they do not overlap and they are non-competitive - everyone knows their place. Beyond the family, however, these limitations are reversed. Since insecurity and instability in the perpetual ranking and re-ranking of personal relationships is the norm, males have therefore constantly to prove themselves as men: **CATSI**. They are, in this respect, always 'on show'. They need constantly to demonstrate their worthiness to public opinion in general and to their peers in particular.

The end produce of such demonstrative behaviour will influence the Georgian's social standing and affect his honour and hence the honour of his in-laws and close associates. The individual Georgian relates to honour accruing to families and associates. As only personalized relationships count and one's loyalty is committed to these, no sovereign is safe - as Prince Vakhushti said. And his statement is as true today as two centuries ago. In such a context there is no room for the state nor for any centrally-organized, impersonal meta-structure. When therefore abusing state-owned resources for the sake of his own career and in the service of his personal network, the Georgian merely utilizes public - not any individual's - resources in the competition for demonstrative success which is imposed on him by the mores of his culture. Of course the lack of respect for communal property is not limited to the Georgians but it is particularly marked among them.

Competition has traditionally involved conspicuous display. Feasts and bouts of excessive and competitive drinking are extensive in Georgia; while sitting rooms, which are the essential preserve of men, are the physical base for the demonstration of display items. Dressing up is important, as is eating out - and being seen to do so in a social context, that is with friends in cafes and restaurants. All of these activities affect a man's standing and influence the shape of

his personal support network (to be discussed in Chapter 5). In this way the Georgian is pushed to obtain resources which are practically non-existent in the formal economy. It is this which provides the underlying personal motivation and the dynamic force which boosts the Republic's second economy.

5.1 Conspicuous Consumption, Social Standing and Honour

The relation between conspicuous consumption and social standing and honour are well expressed in the following account. It concerns a man in his thirties who recalls his university days back in 1970.

> "It was the autumn term break and my friend - a Christian - invited me and two other colleagues to his native village for a visit.
>
> "Firstly, I had to raise some cash, as I was broke at the time. I went to see my aunt - my father's sister, who was very fond of me and she gave me 250 Rubles.[21] I immediately spent 70 Rubles on a present for my friend's parents - a small marble statue of Mother Georgia.[22]
>
> "We took the train from Tbilisi and were very warmly received at the village station. As the journey lasted six hours we were expected to be hungry, so the table was already set, which however was only a prelude to the main feast, later that evening.
>
> "I brought my best clothes with me: a pair of Wrangler jeans with a matching American shirt and Finnish soft leather shoes. The farmers admired me with their eyes and my hosts were most impressed with my expensive gift. For the younger children I brought chewing-gum, which then could only have been obtained on the black market, as it was formally forbidden at the time in the Soviet Union. I remember hearing people whispering around me: 'Who is he? He must be very rich and from an influential family.' To the provincial villagers I probably seemed to belong to the highest social circles of Tbilisi.

"As a result I was nominated at the beginning of the feast as deputy-Tamada,[23] very unusual at my age. And I was most honoured by being granted the third toast: the first was to Georgia, and the second to Stalin.[24] Then came the village musicians and I started to pour out money. I remember the greed in their eyes, observing the 25 Ruble notes I was holding in my fist. They bowed with respect when I passed them the money.

"Late that night - it was already daybreak - my friend's grandfather, who was the senior member of the family and head of the household, invited a few of us to his private wine cellar. He gave us his best wine, kept for special occasions only. And he turned to me and, putting his hands on my head, he said: 'Bless you my boy, you are a real man. Your family and your people should be proud of you.'"

5.2 Consumer Goods as Status Symbols

Since consumer goods are in short supply they have become the focus of competition in this culture, their virtue being as display items. An informant recalls with amusement that the Georgian State Opera and the Rustaveli Theatre were "really a stage to show the latest fashions of Prague, Budapest and Helsinki." Imported goods, being more scarce than home-produced ones are in great demand. A shoemaker complained to me: "My own make was superior in quality, but there was little demand. What counted most was the label saying it was a foreign product." A shopkeeper confirms this point. "Anything foreign would go, regardless of quality. Foreign produce is used also as a legitimate perk. The best workers obtain particular items (eg. furniture) which are normally reserved for the elite."

It is no coincidence then that positions connected with imports of consumer goods should be considered desirable. One of my informants for instance, a person with a notably weak personal support network was nonetheless nominated to a particular post as manager of a warehouse of imported goods. This position was so prone to corruption that only such a socially weak person would be trusted to occupy it. A person with an extensive social network would not have been expected to be able to resist its pressures. In this example we can see one of

the ways in which the guardians of the formal economy sometimes are able to apply and adopt the core values of Georgian culture in its service.

Not all goods are therefore 'up for grabs' in Georgia. Some consumer goods are allocated in strict accordance with a person's rank. ZIL refrigerators, for instance, the best of their kind in the Soviet Union, have therefore a long waiting list. And the village general store manager (see Chapter 7) did not dare to fiddle with this particular item. "People would go mad if they found out that somebody had jumped the queue by bribery or pressure." After all, in a society where public demonstration is the norm, no one can afford to ignore the perils as well as the benefits of public display. Since households are vehicles in such a display, ZIL refrigerators are as much display items as are clothes (Account V in Chapter 8 on Crisis Events highlights the dangers involved in trading with consumer goods in high demand).

Competition then boosts the second economy because of the need for lavish and extravagant consumer goods. But it also pays from another angle. Through close involvement in the second economy a person is in the position of being able to do many a favour. He becomes socially popular and expands his personal network. Consequently he may expect to obtain a favour in return. Thus the direct pay-off - his profits - enable him to show off his worthiness by dressing properly, by entertaining his friends generously, by providing for his children. The second economy therefore yields high returns. In a cultural setting of competitive[25] individualism, where instability and insecurity rule personal relationships, the system turns into a perpetuum mobile: an ever-increasing supply for a basically insatiable demand.

6. TAKING RISKS

6.1 Risk Taking as a Cultural Imperative

Reckless risk-taking is a valued macho attribute in Georgia and the successful gain both in honour as well as in resources. Grigolia (1939) discloses that among the Georgians of Megrelia it was customary for a young man to steal at least one horse before he could get married, as proof of his courage and bravery. And the more daring the accomplished theft the better. Of course this applied only to theft committed outside one's kinship group.

Risk-taking, however, is also a necessary attribute for business ventures and its high social valuation provides a necessary validation for activity that is formally discriminated against. This urge to gamble therefore goes some way to explain why people accept the constant pressure of daily risk-taking when they engage in regular second economy work, and also why the entreprenurial spirit should be so pronounced in Soviet Georgia despite Moscow's persistent attempts to control it. But these are entrepreneurs of a different mould from those traditionally associated with Western capitalism, with the development of thrift and with Weberian ideas of deferred gratification: these are gambling entrepreneurs concerned with spending and display. And while success is important, failure is not considered a defeat. Daring is what counts. A man is expected to challenge his fate - and if he fails, his honour is not affected.

In a folk tale studied in Grade 7 (ages 13-14), The Tiger and The Young Man,[26] both man and beast fight each other in a fight for life or death. The tiger loses the battle and his life. Yet the young man's mother pays her respect to the tiger's mother. She comforts her saying that her son fought bravely. He lived like a man and though his life was cut short, his memory will be cherished.

6.2 Risks and the Second Economy

The taking of risks is essentially linked to the operation of networks as providing the basis of one's personal support in crises. Having a large and strong network means taking less risks, since networks are a major resource to take advantage of in times of need. The absence of an effective network (Chapter 9) either means limiting a person to less risky jobs or involving him in a greater chance of exposure and conviction. Whatever his personal circumstances, however, in no way can the average - not the exceptional - Georgian male conform to the model of Soviet Economic Man. Formal income counts for only a small proportion of total income and it is extra income from the second economy that is vital to a full social role that requires excess in feasting and in display. Georgian men not only benefit economically from 'screwing the system' - their very honour as men demands that they should screw it excessively.

NOTES

CHAPTER 4

1. To become, say, a physician is very prestigious. Therefore it might be worthwhile for a poor family to make economic sacrifices in order to finance a son's medical studies. His success in this would yield high returns in prestige for all his close relations (see also Chapter 9).

2. Grigolia (1939) notes that hand-striking was considered necessary to cement a deal among the Georgian Highlanders. And it did not lose its power even if later a fraud was discovered on the part of one of the parties.

3. See Chapter 2 for my roles in the community.

4. Tamada: the toast-master at a feast. The Tamada is expected to lead the drinking party and should therefore be a hard drinker.

5. Yet whiteness of the skin is a sign of beauty. Is it because it suggests that the woman is a lady and can afford not to work hard indoors or out of doors?

6. Listed among the four most popular (recalled) literary pieces studied at school in the Literature Survey. The novel is studied in the 9th Grade (age 14-15). It also appeared in Samshoblo 18, 1981 editions (the Georgian compatriot newspaper distributed abroad) which should be another indication of the popularity of this piece.

7. Both drank a common household substance (liquid bleach) - an epitome of their grievances.

8. This being said, it should be noted that a money-lender is himself socially marginal and particularly vulnerable in this respect.

9. In rural Georgia. In the big cities it would probably not be as rare.

10. Mars attended a picnic organized by the members of a university department, comprising both men and women academics. However only the women prepared food and drinks and they cleared up afterwards. (personal communication, 1982).

11. The Georgian way of contributing to a wedding ceremony is by paying (in cash) the approximate costs of a meal per head. Hence the payment for the ceremony is usually made after the celebration from the cash presents received. In Georgia, where commodities are the problem (and not money) food and goods are the common presents.

12. It is the groom's family responsibility to cater for the wedding ceremony.

13. His father was in jail for 'economic crimes', a common feature among my informants.

14. Cooperative of artisans and small traders.

15. This is more common to the rural areas than the big cities. Apparently, both the term and the bond are less in use in the latter.

16. The act itself is described in Chapter 3, paragraph 3.2 (a).

17. The word literally means 'someone who eats with you from the same dish'.

18. Also in the meaning of testing.

19. This is one of the four most popular literary pieces learned at school, according to my Literature Survey.

20. As noted before, what happens outdoors in the public arena, is what matters.

21. The average formal monthly pay for that year, including bonuses, was 145.7 Rubles (Georgian SSR in figures, 1976).

22. The symbol of Tbilisi: a huge figure overlooking the city, holding a dagger in one hand and a wine cup in the other.

23. Tamada is the toast-master who runs the feast. He sits at the head of the table. If the table is very long and there are many present, a deputy will be nominated to supervise a section of the table and lead a party of the guests.

24. On the sequence of toasting see Chapter 5.

25. A common expression of greeting in Georgian - 'Gomerdjoba' (literally means: 'victory be with you') equivalent to 'hello'.

26. Kekelidze and Zrenti (eds.) Folk Literature, Gantleba editions, Tbilisi 1977.

CHAPTER 5

NETWORKS AND FEASTS

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1. THE NATURE OF NETWORKS IN GEORGIAN SOCIETY

Personal support networks are a key concept in understanding the workings of Soviet Georgia's second economy. Networks dictate marital choices (Chapter 4), are a prime allocator of resources (Chapter 7), influence one's occupational options (Chapter 9), dominate recruitment and career development (Chapter 7) and set limits to the scope of expansion for enterprises (Chapter 6). It is networks that may finally determine if, how long and in what way a man will spend time in jail for economic crimes (Chapter 8).

It is the aim of this chapter to introduce the concept of personal support networks and show them in action within the framework of the feast - an age old social institution which has acquired new dimensions in Georgia under Soviet rule.

1.1 The Structure of Networks

By using the concept of **networks**, we follow a well established precedent in more than a dozen fields in the social sciences, organizations, communication theory and in adjacent disciplines since World War II (Sarason, 1977).

(a) Frame

Ego is the focal point of his network. His centrality is clearly marked when considering the interaction pattern of a network (see following). Ego's network is kinship-based: Georgian families trace descent on both sides but stress the male line and within it an emphasis on agnates - on the solidarity and mutual obligations of brothers. The network extends beyond one's core family to include at least intimate friends: **Megobarebi** (see Chapter 4, paragraph 4). Since in Georgia's structure the peer group is second only to the family in importance as a source of social ranking and support. The personal support network therefore consists - following Boissevain's (1978) terms - of a **personal cell** and an **intimate zone.** That is a minimal, not a maximal definition. And it assumes a stable network, since kin are ascribed and Megobarebi have to endure tests over time before considered as such.

(b) Extent

Even by its minimal definition the scope of a network is considerable. Let us examine the following examples (Figure 1). Ego has a father, a brother and two uncles - father's brother and mother's brother and a wife (who has a father and a brother). He has also two close friends (Megobarebi) and so do each of the other males in the network. This again is a conservative estimate. It does not consider Dzmobilebi (meaning like brothers) whom some people have, while quite a few of my informants had more than two Megobarebi.

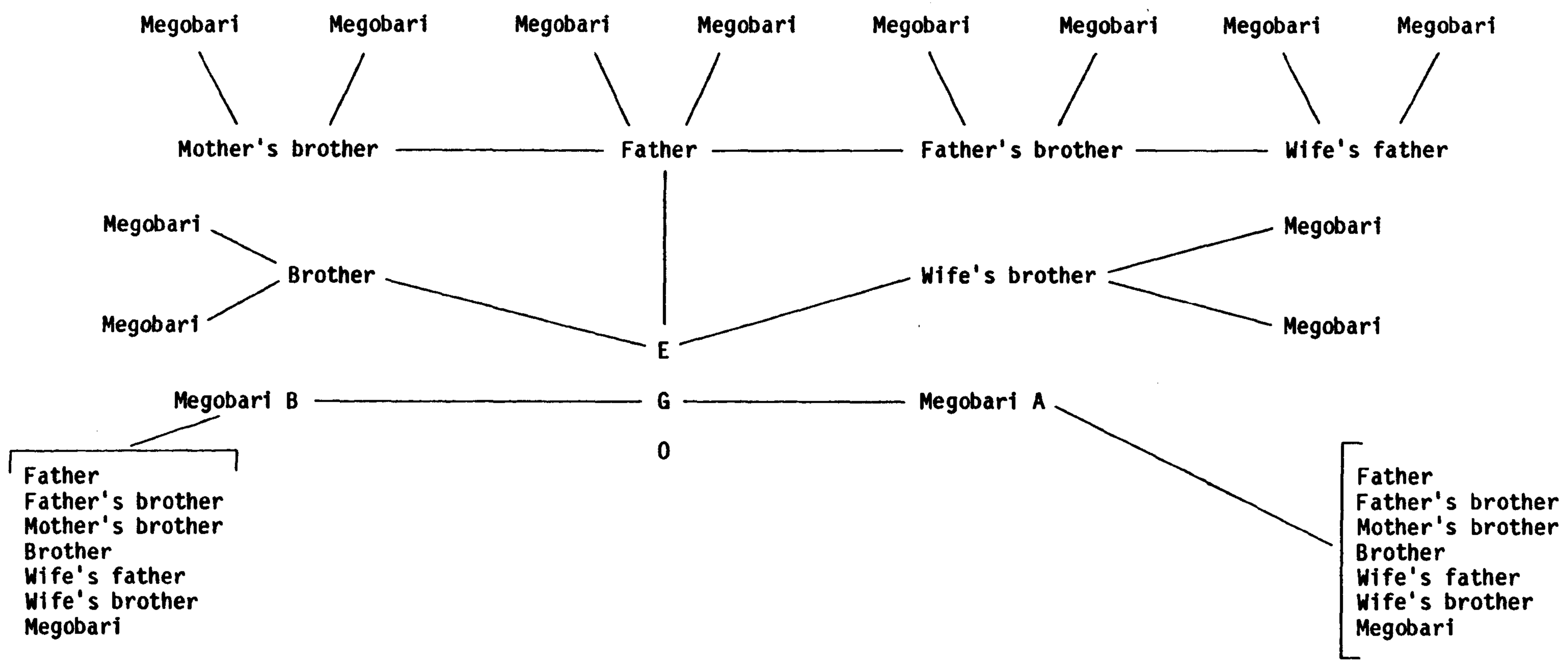

Figure 1

Spread of Ego's Personal Support Network: A Conservative Estimate

However, even this conservative estimate suggests that Ego has eight members at the core of his network and 26 more as close 'friends of friends' (Boissevain, 1978), that is, people who are as committed to Ego's core of eight as the latter are committed to him. This means that Ego has a 34-man strong legion at his disposal.

(c) Primary Functions

The network's primary functions, are basically two-fold and could be termed a social network and a resource network.

The social function corresponds largely to its peer group components which are manifest in social time spent together. In addition however, the network (and not only peers) operates as a reference-group, setting standards of behaviour against which the individual measures himself and is measured. This is clearly expressed in drinking behaviour during the feast (see later). And it accounts for the social pressure put on the individual Georgian to match the standards of his close associates - for instance in living standards.

The Resource Network

Our main concern here however is with the second aspect of the network: its function as a reservoir of resources, that is, the combined skills, statuses, material resources and institutional affiliations of its members. This bears three different, though not unconnected meanings.

i) Firstly the network functions as a power base. In this respect it allocates scarce resources and opens up opportunities limited to the members of the network alone. For instance, career opportunities. Personal contact can be very useful in seeing a candidate through the entrance exams to the university, in finding a job and later on promotion. Or, for example, in providing access to scarce commodities, be it a car or a pair of shoes. In these respects the network operates as a kind of exclusive club, where the number of members is limited (and membership is strictly by personal nomination), yet members are allowed - even enouraged to bring in their close relations and friends.

ii) Secondly, the network operates as a shield. By making it known who his friends are, a person may gain immunity from troubles. An informant recalls how as a young man he was once stopped by a gang of youths while walking at night in the 'wrong' district of Tbilisi. "They probably meant to rob me telling from the way I was approached, when one of them said: 'Leave him alone, he's a friend of . . ." The same applies to operations in the second economy. One of my informants, a retailer, tried to associate as much as he possibly could with the Head of the Police, in order that he would be less pressurized by other members of the force. However, the Head of Police would be reluctant to be seen with just anyone, since this might have an adverse effect on him. "Show me your friends and I will tell you who you are" goes the Georgian saying.

Bearing in mind this last point, one can now understand why social associations, particularly in public, are so important, since they are an opportunity to display one's social support network - that is, one's social power base and shield.[1]

iii) Networks have another important function: as emergency pools, in times of trouble. This is elaborated in Chapter 8 on Crisis Events (paragraph 3.2). Just to clarify the point, in emergencies networks can mobilize vast resources as a member's career, future and even his life may be at stake. Consequently its reverberations will weaken associated members of the network. It is then that a network will spread to its maximum capacity, often involving dozens of people, some of whom will never meet the protagonist for whose sake they have been mobilized.

(d) Maintenance

Networks, like other forms of social organization need continuous nourishment if they are to flourish. The main mechanism for this is through feasting.

Feasts provide the opportunity to reaffirm the friendship and commitments within a network by mutual exchanges of respect (toasting to each other and to one's close relations - past and present) as well as

by symbolic sharing of common resources: time, labour (put in the feast), food and wine.

Further, feasts - particularly formal feasts like weddings, are a test of standing commitments. Attendance on such occasions is obligatory because it proves the good will of the participants, but also the existence of the bond for all whom it might concern. It is a public declaration: thus, I had to attend all major familial events of my close informants and when I left for London, they attended my farewell feast.

Feasts are also the recruitment ground for new entrants to the network - an opportunity to demonstrate social skills of wit and drinking as well as conspicuous display of wealth. (See for example the case of a stranger from the big city attending a village feast: Chapter 4, paragraph 5.1).

Another way a network is maintained is through the transition of reciprocal help. Most notably this could be evidenced in formal events like weddings, where each participant contributes a donation to meet the cost of the celebration.[2] The emphasis, however, is on the obligation to accept the donation, which forms a standing commitment (formally recorded) to be reciprocated in due course.

On the occasion of the first Georgian funeral I attended in Ashkelon, I was amazed to see the grandson of the deceased being given cash donations by mourners and recording them in a small notebook. Eventually I asked him what it was all about. He felt embarassed and said: "Believe me, I don't need the money, but I must take it. This is our custom." Grigolia, who researched the Georgians in the 1930's similarly notes: "the custom of reciprocal help is regarded as obligatory . . . and if anyone did not fulfil this . . . he was regarded with distrust." (p.175)

It is these standing commitments which can activate dormant networks when the need arises, while the denial of these obligations could be a severe blow to the person involved and result in the collapse of a network. Both possibilities are elaborated in Chapter 8.

1.2 Interactions in Networks

(a) Transactions

Any transaction will normally be initiated by Ego to a core member of his network and if necessary through him to another member - and so on - until the required service is obtained. To illustrate this point, let us consider a simple interaction involving a trio in which I participated.

When Gerald Mars first came to visit me in the field he was the honorary guest at a feast organized by 'Doc'. As is normal practice with Georgians, the feast involved masses of food and drink, and Mars - for whom it was a first experience - was most impressed. In case he was fooled into thinking that the honour was purely his, 'Doc' enlightened him "It's not really you we are honouring but Yochanan," in other words he emphasized the fact that by honouring my guest, he was really paying his respects <u>to me</u>. The movement of this interaction is graphically presented in Figure 2. It shows the transaction going from Doc to Mars via Altman. That is, I was both the direct object of this interaction and the axis that deflected it further. The figure also indicates that by honouring my guest, I owe 'Doc' a favour and that by the same token Mars owes me a favour, since it was through <u>me</u> that he obtained a service.

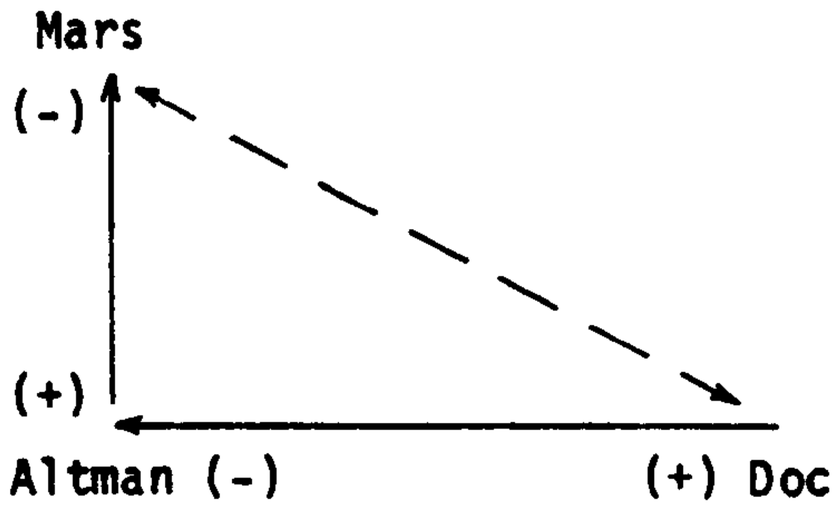

Figure 2 A Transaction in Ashkelon: Who Gives and Who Receives

This pattern of movements does not rule out the establishment of a direct bond between Mars and 'Doc', but this is essentially a potential bond. It is only symptomatic that while Mars brought with him a present for the host and his wife, this present was ascribed to me (as well as to him) and both of us were thanked for it. This should

really cause no surprise, since a bond means a commitment and why commit oneself to someone on your first meeting?[3]

When after a time I went to London and 'Doc' payed me a visit there, Mars reciprocated (see Figure 3). The movement reversed in the same pattern. By Georgian standards Mars repayed me the favour by honouring my guest and 'Doc' again attributed this generosity not primarily to Mars but to me. This time 'Doc' presented a gift to Mars and was rather anxious to know whether I considered it appropriate: after all the gift was addressed on my behalf.

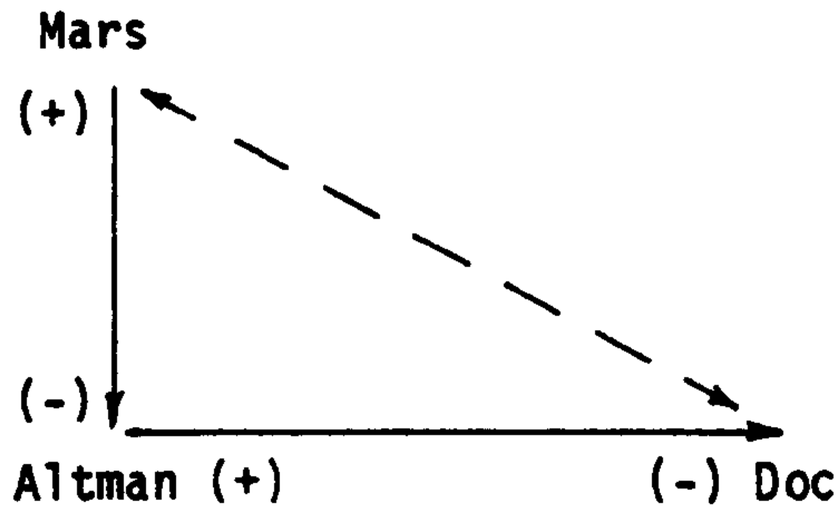

Figure 3 A Transaction in London: Who Gives and Who Receives

The understanding of this pattern is essential in realizing how the second economy is supported by an informal personal support network complex. I believe it goes a long way in explaining, for instance, the temporary success of Shavardnadze in reducing the second economy (after his ascent to power) by eliminating several key figures. With the elimination of a single significant individual, a whole network collapses with him. In this sense a person is indeed irreplaceable.[4]

This pattern of interaction has also far-reaching implications for the scope of illicit enterprises and especially the limits of their expansion. It also explains why illicit factories (Chapter 6) require partners - since no single person can possibly encompass the complexity of an ongoing production and distribution process in a single network. On the other hand retailers (Chapter 7) who have no choice but to chase goods wherever they can find them, have to take risks and depend on ad-hoc transactions, often lacking the safety and commitment provided by the security of the personal support network.

(b) Contents

Interactions between network members are multi-faceted, that is, they are not confined to a specified and restricted function. Members of a network are expected to contribute in a variety of ways according to emerging needs. This includes donations of money or money's worth, particularly in emergencies (Chapter 8, Account II on crisis events). As well as using one's position and influence to help others. In other words: a network may be viewed as a reservoir of social resources which in its totality comprises the personal, social and economic resources of its members - latently at Ego's disposal.

2. THE STRUCTURE AND PROCESS OF FEASTS

Travellers to Soviet Georgia have often remarked on the excessive generosity with which people there treat each other (e.g. Maclean, 1980; Papashvily, 1973). It is regularly noted that Georgians spend considerable time and resources on organizing and consuming large feasts, and of how strangers are enthusiastically welcomed and incorporated into them. In Ashkelon I attended over twenty feasts and this figure could easily have been tripled had I not declined numerous invitations.[5] When outdoors it is apparently quite common for diners to send over a couple of bottles of wine or a dish of meat to strangers at another table (Maclean, 1980; Samshoblo, 1981). Mars (personal communications, 1982) experienced such generosity at a picnic site outside Tbilisi. When this happens the tables are likely to merge, names and addresses are exchanged and hopes expressed of continuing the relationship that the feast has established.

The importance of feasts is indicated not only by the time and resources expended on them, but by the number of people involved in their prior preparation and the degree of formalized behaviour which precedes a feast, dominates it, and continues thereafter. Perhaps the most telling indication, however, is that the Soviet authorities have officially frowned upon Georgian feasts arguing that they not only represent a massive misuse of resources but that these are often purloined from official sources, represent a misuse of Soviet property and absorb energy that should be put to more socially - that is officially - approved ends. (Hone, 1982; Reuter, 1982)

The first questions that arise, therefore, have to do with why should Georgians be so hospitable and so generous, not only to fellow Georgians, but often to complete strangers?

2.1 The Structure of the Feast

It might seem at first sight to be stretching rational classification when we include as feasts, events that range from informal ad hoc gatherings of 5 or 6 people, to those that are highly formalized, meticulously pre-arranged and, in my experience, have numbered over 1,000. It is justified to do so, however, because, under the general title of 'feast', we find that all these gatherings possess a common

structure. So although feasts may be extensively pre-planned over many months, or are sometimes arranged on the spur of the moment; whether they are composed predominantely of kin or of neighbours or friends; or whether the putative purpose is to welcome a stranger or to cement a deal, they nonetheless all possess the following structural features.

(a) Head of Table

Each feast has an appointed Head of Table - the **Tamada**, who is normally (but not necessarily) the host, or the owner of the premises if the feast takes place in a home. It is the Tamada's job to direct the order of the proceedings and in particular to offer the toasts that punctuate the feast from its beginning to its end. He is selected on a number of criteria that ideally emphasize the idea of authority and worthiness. He is always male and usually older than the rest of the company since age is a virtue in Georgia. He may be the most eminent person present, and he should certainly be verbally affluent, spontaneous and witty. In addition, however, and most important, he must be able to hold his drink, since it is he who sets the upper limit. A Tamada, therefore, is one who should naturally be respected by the others, who should be able to elevate the emotions of the audience, who should in fact be '**catsi**'.[6]

The feast will start with the Tamada calling for order and quiet, which is important as an acknowledgement of the respect in which he is held. Heads of Tables have been known to get quite irritable, and even angry, when they cannot obtain the silence they feel is required, since this reflects upon their inability to establish control.[7]

(b) Toasting

The feast is punctuated by toasts which are the central feature of a feast; there might well be as many as twenty or even more toasts in an evening, and some toasts have been known to last as long as an hour. Wine is normally poured into crystal glasses, each person taking his wine from the bottle nearest him though a Guest of Honour will usually be served first - at least at the beginning. There are often different measures of glasses but the normal capacity would be some 150ml.

Crystal (or crystal like) glasses are used because they are considered expensive and therefore good for display.[8] But being transparent they also do not enable men to cheat on the amount of alcohol consumed. That is - honour is literally 'on the table' and everyone can observe everyone else's standing.

While a toast will always start with the Tamada - he dictates the issues and addresses the speeches[9] - he will later pass the right to toast and speak to another. He will do this by clinking his glass (prior to emptying it after his speech) against the glass of his nominee who then addresses the company. This second toaster might then in his turn pass the right to a third and so on, which explains why Georgian feasts can last for up to eight hours. At large feasts where there are several tables, such toastings serve to link the tables. One can often observe a toaster rising from a table at one corner of a hall and with a full glass, shouting to someone who is seated at a far corner. The other will also rise - both then greeting each other loudly - and simultaneously emptying their glasses while standing facing each other. In this way, as the evening proceeds, all participants become enmeshed in a matrix of personal linkages.[10]

Feasts are always set in the same framework. At its start the Tamada will announce the first toast, which is always an honouring of those who are the cause of the gathering. They might be the bride and groom, a visitor, "who has brought us here in his honour," or "the occasion of completing the roof of our host's new home - and we all look forward to next year when all of us will sit here celebrating the completion of the entire house." The end of the feast is similarly marked by a common toast - the toast honouring the Tamada and the host (and hostess) who have organized and kept the gathering together.

2.2 Focusing and Linkages: The Toast as Integrator

Between the first and last toasts, feasts similarly possess a common structure. It is a structure by which the idealized values of the society and the levels of social organization above the personal network are both brought together and made concrete and manifest through the personalities at the feast. There are thus toasts to the Land of Georgia, and if foreigners are present, to the land of their

countries as well. If the feast brings together the staff of different institutions these institutions too will be toasted. There is thus a focusing through individuals of ideal and abstract valuations on the one hand, and by treating individuals as representatives there is a linking of concrete organizational affiliations on the other.

A typical example of such linkage and focusing through those present, can be gained by considering aspects of the feast that Mars (personal communication) attended in Tbilisi in the Spring of 1982 to honour a young woman on the occasion of her graduation.

The Tamada was the senior professor of her university department and one of the oldest people present. The gathering comprised both sexes and ages from twenty to over seventy, members of both sides of the girl's family, her husband's family, junior professors and staff from her department, a couple of professors and their guests from other university departments, some neighbours, two foreign guests, who were brought by two different visitors, and some of the girl's friends. The second toast was to the girl's parents and to the parents and grandparents, both alive and dead, of all those present; and indeed this toast was then extended to the virtues of parenthood in general.[11] The third toast was to honour two visitors: Mars, as an Englishman, and an East German; both from countries which had been at war, both now united in friendship at the same feast, both learning that Georgia was a land of peace where over 40 nationalities lived in harmony. The toast that followed was to the girl's mother, to motherhood, and to women in general. The Tamada then elaborated on the role of women as providers of beauty and love, both in general and specifically as related to the people present. There then followed a series of toasts to the professor's own department, to its staff and to other departments and their staffs, who were represented at the feast. The twelfth toast, in this marathon (but typical) feast of twenty toasts, was to Georgian women and Armenian women, particularly significant since this was a mixed gathering of Georgians and Armenians - the girl being honoured having mixed parentage. The Tamada emphasized that Georgian and Armenian women were different, yes, but also similar in their essential femininity.

As the evening proceeds, and after everyone present has been toasted, the toasts often become either so widely abstract that they cover everything and everyone such as toasts "to the divine spirit," "to all on our land," or they become so specific that to the sober celebrant they appear quite silly, like drinking "for the electric light, without which we wouldn't be able to see what we are doing here," and which sometimes allow for competitive and excessive bravado. It is at these latter stages of a feast that men might well snatch up a vase, a jug, a shoe or a hat,[12] fill it with wine and attempt to empty it at a single draught. Others present will then be coerced to attempt to match or exceed the feat. It is this type of excess that caused Fitzroy Maclean to describe Georgians as "much, much harder drinkers than anyone else in the world." Such gargantuan revelling can be appreciated as doubly competitive when it is realized that men are not only expected to drink, but are also not expected to relieve themselves during the evening and that they are indeed required to stay in the room so that private urinating, purging or vomiting cannot offer any unfair advantage.

At one of the feasts in Ashkelon I sat beside a man in his fifties who was bitterly protesting about the "stupid young lads" who had started to compete. "What's the point in it? Now they are like big men and then they'll vomit their souls and it will take them two days to recover," he preached. How surprised I was then when he finally joined the competition himself. And he explained it thus: "I have no choice. This feast will be remembered for days and those who had a go will praise themselves as great warriors while I will be considered feeble." In Ashkelon one can sometimes tell the course a feast has taken by the number of men strolling around the next day - having forcibly had to take the day off work.

Toasts are interspersed with singing and by recitations of poetry both established and spontaneous and, if there is a musical instrument or an orchestra present, with dancing. The songs and the poetry - like the toasts - will be chosen to develop the same principles of linkage and focusing that integrate and incorporate those present into a single fellowship. Thus at the Tbilisi feast there was a recitation from Shakespeare in Gerald Mars' honour, a song by Mendelssohn to honour the East German, and songs that praised Tbilisi as a uniquely

beautiful city, and Georgia as a land of proud men and lovely women. There was also an attempt to sing an Armenian song which foundered because most of the guests were Georgian and did not know the words. If there is dancing as the evening proceeds, people will not sit where they previously sat but will, after each dance, sit in a new place so that members of the feast mingle and linkages with new people can be established.

3. THE PLACE OF FEASTS IN GEORGIAN SOCIETY AND CULTURE

3.1 Competition and Cooperation

The feast can be understood as an institution reconciling two themes that run through Georgian culture. The first is the great emphasis placed on competition; the second a concomitant need for cooperation.

Both these themes are evident in the selection and role of the Tamada. In keeping order his job is to mediate between conflicting competitive interests, hence his personal qualities are so important, particularly his standing as a drinker and his social situation as a person of some eminence. By his personal standing and his eminence he not only honours the gathering, he is above the general level of competition. But he is also primus inter pares, and it is in this dimension of his role that he has to carry out his tasks with grace, elegance and persuasion. A too blatant display of authority has no place at a feast.

Competition, as has been indicated, is particularly evident in competitive drinking by men. But it is also evident in the furnishings to be seen crammed into the family lounge where most feasts are held. Here are displayed in glass-fronted cabinets, china, glass, cutlery and serving bowls - all items used at feasts. When a couple become engaged, amongst the gifts they are bound to receive are such household items for display and feast-giving. But competition is also evident in the way the feast is served, not only in the range of dishes which are brought on in a continuous stream through the evening, but because they are served on small plates. These are overfilled and, as the evening proceeds, they have to be piled on top of each other thus presenting an image of excess.

If the competitive theme is dominant in men, and the way men behave, the cooperative theme is mainly evident in the role women take in the feast. It is women who are primarily responsible for obtaining the food, for cooking it and for cleaning up after the feast. For these purposes women need to exploit the network of their kinfolk and their neighbours. The cooking will be carried out cooperatively both in separate kitchens and communally. The table will be laid by a group of women and the serving of guests will be similarly carried out by

them as will the clearance of the feast and the cleaning of the kitchen.

It would be a mistake, however, to equate competition solely with men and cooperation as only the prerogative of women; though women are less competitive than men they are competitive. A woman, for instance, will compete on a man's behalf and will gain personal prestige by demonstrating the speed and efficiency with which she can produce a whole range of dishes for an ad hoc feast. And, in a similar way, the feast also permits and encourages a modification of male competition as the evening proceeds. Though broccadacio drinking might well dominate a feast during its early and middle phases, the bonhomie of cooperative fellowship asserts itself in the latter phase of the feast. It is then that elaborate personal valuations are made, friendships are sworn, addresses exchanged, and at the end of the feast men might well be found eating from the same plate and drinking from the same cup.

3.2 The Feast as a Network made Manifest

So far the feast has largely been considered as an event that operates at a local level; as a gathering of people selected on different bases and coming together in fellowship. But the feast also serves a wider purpose and one well recognized by its participants. It links and binds together people who possess different affiliations, who represent different places, institutions, occupations and kinship linkages. And it is in understanding this role of the feast and the latency inherent in the links it encourages, that we can appreciate why the feast is so important in Soviet Georgia and perhaps too why it should be officially discouraged by the Soviet authorities. This is because it is in the manipulation of such ego-focused networks that Georgians can and do influence and manipulate the organizations of the State.

When one conceives of the feast in this way - as a network made manifest - it can be seen how it mediates between the individual in his unremitting search for prestige and the organizations and institutions of Soviet Society with which he has constantly to deal. As seen in an earlier example, participants in the feast become concrete representatives - 'embodiments' - of more abstract entities. It

can be seen that the English and German scholars for instance, became representatives of their respective countries; the professors representatives of their institutions and individuals of their families. Hence both general as well as specific interests become linked and by the same token individuals gain idealised properties - they become archetypes of their wider affiliations. Consequently, one can understand why toasts for such abstract entities as womanhood or nationhood become highly significant: a failure to meet expectations by an individual reflects adversely on the wider grouping of which he is a representative. A man who cannot consume the right amount of wine not only shames himself but reflects adversely on his wider personal and institutional affiliations.

As honour and prestige are vitally linked to conspicuous consumption and display, consequently one can see why scarce goods should be highly prized, the more so since consumer goods are in chronically short supply in the Soviet Union. But it is not just in the obtaining of scarce goods that networks are necessary - they are necessary too at all the myriad points of contact which link the Soviet citizen with numerous state organizations. I have details of network links that were vital in obtaining preferred jobs, scarce permits and licences, places at university and which moved my informants out of trouble when they came up against the formal sources of state control (points to be addressed more fully in subsequent chapters). In a very real sense, therefore, expenditure on feasts can be understood - not as wasteful and profligate misuse of resources, but as the bases of shrewd investment and as representing the conversion of material resources to social ones that in their turn can be reinvested for further and future material return. The feast therefore binds together people into a powerful ego focused resource gathering core, which allows it to exploit its environment by capturing significant people on its periphery.

3.3 The Feast's Place in a Soviet System

It is the feast therefore, that becomes the scene where decisions are made, institutional links are cemented and commitments exchanged. An American who spent a long time in Tbilisi often failed to find officials at their places of work, yet she could always find them at the

numerous feasts she attended. Thus, the Head of the Foreign Relations Department of the University of Tbilisi attends five feasts a week! according to his statement; while the Department of Sociology has a big feast every three months and smaller ones every fortnight or so (Mars, personal communications, 1982). This is an enormous investment in time, money and energy, which can be justified only if it yields - as it does - good returns.

Simis (1982) describes a feast of public prosecutors, lawyers and judges held in a private room in a seaside restaurant in Sukhumi. One wonders where, then, a juridical case is determined: in the Court of Justice or in a scenic restaurant? The local officials in Ashkelon learned from experience that they should be cautious about attending feasts as this usually necessitated a reciprocal favour. One who was not cautious, the chairman of the Jewish Agency, had - by the end of a feast - doubled his intended contribution towards the building of a Georgian synagogue in Jerusalem.[13] Before feasting can commence, serious arrangements - like engagements - must be agreed, since drinking in fraternal companionship might put guests off their guard and squeeze out concessions.

In a centrally planned hierarchy such as the Soviet economic system, where decisions, nominations, allocations of resources and commodities are expected to follow the bureaucratic model and Communist ethics - the network becomes the main body which functions along different lines: according to the inherent values of the said culture. The feast therefore is modified to deal with that particular reality by accommodating persons from various work-settings. Indeed, both in Georgia and Israel, the overall impression is that many feasts are based on the workplace.

In assessing the role of the feast in Georgian society one would err by classifying it as merely a colourful event, expressing hospitality and generosity and typical to the Georgian culture. It certainly is all of these things but it is only by considering its function as the seat of personal support networks, that one can appreciate the feast's wider and fuller implications and understand why it plays such a major role in Soviet Georgian society today.

NOTES

CHAPTER 5

1. This display is particularly marked at the engagement ceremonies, where the two families are each displaying their gallery of supporters - a show of human resources at the disposal of the bride and groom and their families.

2. This is the case in Israel. In Georgia one contributes consumer goods such as scare food or clothes.

3. When I joined my informants (especially in the early days of fieldwork) at large formal feasts (such as weddings), it was common for my present (a sum in cash) to be refused. These gifts of money are recorded in the presence of the guest and form a standing commitment. They declined my gift because there was no direct connection between us and they saw no point in accepting (and owing to) a stranger! The mutual obligations of network membership are considerable and are therefore not entered into lightly. And Sahlins (1965) points out in this respect that "if friends make gifts, gifts make friends" (p.139).

4. During my fieldwork I faced the dilemma of breaking off relations with a key informant, knowing it would result in the loss of his whole network as well. (See Chapter 2, paragraph 5.1 (b)).

5. Advice given to me by 'Doc': "A man who honours himself does not respond to any invitation."

6. Man in Georgian, but also in the macho sense.

7. Sometimes criteria for the selection of a Tamada conflict, and this is especially so if someone has been selected on the basis of their close kinship link with the prime performer. This, however, is most likely to occur when the feast is kinship-based as at a wedding (and more so among Jews than among gentiles). These gatherings are usually larger than ad-hoc gatherings and are able to be pre-planned. In these cases there is a multiplicity of tables and a sub-Tamada is appointed to each table, which reduces the overall role of the main Tamada who, though he may be selected on the grounds primarily of his close kinship attachments, might fail to impress on the criteria of witty or fluid speech.

8. At spontaneous gatherings cheaper utensils might be used like glass cups.

9. To relate it to themes discussed earlier in the chapter, the Tamada functions as the focal point of the temporary organization - the network assembled at the feast - by channelling the movement of the toasts.

10. And see Elam (1980) for a graphic presentation of the toasts in a Georgian-Jewish wedding.

11. At one feast I attended, the story was recounted of a small child of four who had asked his grandfather: "Grandfather - you are very old, when are you going to die?" The reply was: "I will die when you die because as long as you live my name will live on at occasions like feasts."

12. Traditional Svaneli hats (of the Georgian mountain regions) are particularly suitable for that purpose.

13. Ma'ariv (Hebrew daily), 3rd May, 1981.

PART III

PRODUCTION AND DISTRIBUTION:

CASE-STUDIES AND THEIR ANALYSIS

CHAPTER 6

THE FACTORY IN THE SECOND ECONOMY

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1. INTRODUCTION

There has been little systematic work on the operation of Soviet factories and even less on their place within the Soviet second economy. The seminal work is Berliner's (1957) study of factories and their managements derived from interviewing refugees as part of the Harvard Project on The Soviet Social System. He focused on the formal organization of production and his mention of second economy institutions was concentrated on the Tolkachi - the middlemen 'pushers' or 'fixers'.

1.1 The Tolkach Phenomenon

Berliner was concerned with showing how the Tolkach enabled managements to achieve their production targets and therefore acquire their achievement bonuses by removing bottle-necks, by rearranging targets with official connivance and generally by smoothing relationships with significant others beyond the physical boundary of the factory. In short, according to Berliner and his followers, the Tolkach, though involved in informal and often illegal means was concerned primarily with exploiting official channels. "'Blat'[1] is the grease in the gears of the economic system which serves to keep the mechanism running more smoothly and quietly." (Berliner, 1957, p.327)

The logical development of the Tolkach role has, however, been unexplored. Given the nature of the role and the required personality of its practitioners, it might be expected that they would, where possible, try not to limit themselves only to the use of informal means in the service of formal ends. As one of Mars' UK informants expressed it ". . . when you get to fiddling things for them, you obviously get to fiddling things for yourself." (Mars, 1982, p.69)

In Georgia, though the functions of the Tolkach are well understood, the word Tolkach is not known - nor is there an equivalent in the Georgian language, and I did not encounter such a breed among my informants. This is not to suggest that such activities are not found

in Georgia, still less that they are not necessary, but to suggest that in Georgia 'fiddling for oneself' has been carried to its logical extreme - it has been institutionalized. As Chapter 4 on Core Values has intimated, every Georgian male is expected 'in his soul' to be something of a Tolkach. Thus, we shall see in Georgia, there is no need for these functions to be limited to particular individuals. As a result the nature of the informal adaptations of Georgian enterprise has taken a rather different turn from that traditionally found elsewhere in the USSR.

1.2 Expansion of the Informal

It is in Georgia that we find the logical development of illegitimacy. Here the formal enterprises have been more fully substituted by its informal adaptations than possibly elsewhere. The means have become ends. My data includes examples of factories regularly producing up to four times their formal output: that is, producing four times more than stipulated by the formally designated Plan. This, of course, means not only that production is expanded beyond legal limits but that raw materials have to be obtained, that a distribution network with secure outlets has to be developed, that transport has to be organized and that significant individuals at all points of this production/distribution line have to be motivated, rewarded and if necessary bribed or even threatened - to play their part in this expansion of output.

What is revealed, is an economic system that mirrors the formal, legal system. It is a system that shows many of the features and responses to problems faced by capitalist economies in the West. Managers here also have the problems of maintaining constant output when circumstances and events conspire to make for erraticism; they are subject to succession crises when key personnel move and are in some respects at least, as reliant on the market for their products, as are any Western management. In other respects the similarities also appear more pronounced than do the expected differences. For example one finds that illicit profits are distributed in Georgia on the basis of shareholdings and that factories are bought and sold. But these similarites are deceptive. These are Soviet factories set in the overall context of socialist planning and control. These controls and

the Plans which they support are extensive and are able to be maintained by Draconian punishment. In delineating Georgia's illicit production and distributive system, one can discover the unique way in which members of one culture have successfully adapted to the rigidities imposed by another.

1.3 Background to this Study

During my investigations I obtained information on three different factories, located in three different regions of Georgia. One, employing two hundred people was in the food industry, one was a textile factory with about one thousand employees, while the third involved light metal manufacturing and employed under a hundred. For each of these I managed to obtain cross-checked information from different managerial levels within each factory, thus corroborating the amounts of their illicit production, the difficulties in obtaining raw materials, the problems involved in the products distribution and the range and extent of their necessary external involvements. In addition I obtained considerable anecdotal data from a wide variety of informants who had different lower-level sub-managerial contact with a variety of different factories. Most of these people were shopkeepers and drivers who corroborated the major factory case data.

This data is now presented as a case study which concentrates particularly on information derived from the food industry. In addition, however, and where relevant, I introduce comparisons and distinctions that arise from the other two cases as well as from my other informants. It will be appreciated that certain facts have been changed so that identification of particular events and locations will not be possible. In my opinion, this does not detract from the concrete evidence of the material nor from its validity as a vehicle for providing an understanding of how illicit production and distribution work.

2. THE BISCUIT FACTORY: SOME GENERAL FEATURES

2.1 An Introductory Note

The enterprise described below will be referred to as the 'Biscuit Factory'. It is a medium-sized factory and employs several hundred staff. It produces biscuits and, in addition to the requirements of its formal Plan, it illicitly and consistently produces extra biscuits in the ratio of·4:1, that is - four informal biscuits to ten formal ones. This is a rather safe output. I will show later how the approach of this management consistently emphasizes safety. I have however come across factories where illicit production has been erratic and where production has on occasion reached up to ten times more than in this case: that is, where production has reached a level four times higher than the planned output. This dimension of safety versus riskiness will be elaborated later.

2.2 Setting up the Illicit Enterprise

Illicit enterprises, like regular ones, have their rational structures, respond to market forces and are bought and sold as has been noted by others (eg. Simis, 1982). In the biscuit factory case the business was inherited by 2 of the 3 partners from their fathers. The third, a qualified engineer as production manager became so indispensable that he was offered a share equal to the others, that is: profits were divided equally among the three.[2]

In the case of the textile factory the enterprise grew from a small scale textile workshop employing four men. It grew not from the initiatives of distant planners, but because of the enterprise and pressure of its formal director. This man expanded production to such an extent that he was able to persuade the appropriate authorities to supply him with larger premises and more plant and to do so on three successive occasions as he outgrew capacity at each stage. He was able to expand because his informal capacity was growing faster than his official capacity permitted, and it was his earnings from this source that were used to bribe the appropriate formal authorities and obtain their necessary sanction at each new level of expansion. In all, this entrepreneur's capacity expanded in four stages: from a staff of four, to forty, to several hundred, to almost a thousand

before he achieved his final site. What lay behind his expansion was the prospect that he could offer greater illicit profits to those who controlled the sources of legitimate state capital.

To return, however, to our biscuit factory: its three partners shared all the responsibilities of their private enterprise. Their individual responsibilities corresponded to their formal roles which were the three top functions in the legitimate, state-owned factory: these were the directorship of the enterprise; its production management and its stock warehouse control which included responsibility for accounting. These positions and their incumbent personal contributions will be more fully discussed later.

2.3 The PLAN and its Flexibilities

An easy and relatively risk-free way to engage in illicit production is to have a formal production target - THE PLAN - which allows leeway for additional produce. The way to obtain this is by seeking cooperation of the person(s) responsible for setting the formal planning targets and, by influencing them to obtain as lenient a planned target as possible. There is nothing novel about this - as writers on the working of the Soviet economy have long ago observed (eg. Berliner, 1957; Nove, 1976). But usually this is done to <u>maintain</u> the official production of a plant, while in second economy production its purpose is to <u>reduce</u> the level of official output in order to capture the spare capacity for illegal production. Fiddling of capacity in this way is then the first and simplest method of achieving illegal production. It provides an easily-achieved flexibility which allows machinery, people and time to be employed to produce more than The Plan requires - with the additional produce then able to be aimed at the lucrative private market.

There is another and similarly simple way in which the Plan setter - the official who sits in Tbilisi and to whom an annual pilgrimage is made, may be of assistance. This is for him to permit a further degree of flexibility by allowing for a higher level of waste in production process than would normally be strictly necessary. Such a high rate of waste will then leave spare raw materials to be used for illicit produce. Both of these methods which each demand a degree of

official connivance can only provide a relatively small surplus, however. To maximize illicit output most attention will have to focus on the illicit manipulation of the products' raw materials.

2.4 Maximizing Illicit Output

To produce more than the Plan asks for on a regular basis requires first and foremost extra raw materials. These can be either obtained from outside the enterprise or the firm's legitimate supplies could be 'milked' to provide a surplus for illicit production. Whatever measure is chosen the decision on how to obtain raw materials is a 'key variance' factor (to employ an established concept: Trist, 1981) which will have a major influence in shaping the structure and conduct of the illicit production/distribution process.

There are several alternatives and these are listed below.

Alternative A - Cheating on the Quality[3]

Let us return to the biscuit factory. Biscuits need the following ingredients: flour, sugar, eggs, fat, yeast, spices, preservatives, artificial colours and water. This is not a comprehensive list. In principle, as with other products, the list contains some components which are almost free, others which are easy to obtain - like water or spices and some which are relatively hard to obtain, or are costly like: sugar, eggs and flour. The simplest way to overcome 'hard to obtain' products, as in this instance, is to use less sugar or eggs than is required by the standard (and in the Soviet Union everything has a standard) or to use cheap substitutes for dear. However these methods are also easily detectable to any thorough control - though perhaps not to the naive consumer. Since control methods are integral to the Soviet economic system, consequently there is always the possibility that the fraud might be discovered - which would necessitate a massive cover-up operation in order to keep the illicit enterprise going.

The all pervasive likelihood of a sudden check applies not only to food. One of my informants with whom I discussed the incidence of checks by authority and who used to be a bricklayer in Georgia commented: "Well, food is only half a trouble; food is eventually

consumed - but if you fiddle with bricks, they stay forever . . . You always live haunted with the fear that one day the fiddle will be detected." And yet this method has some considerable advantages as the extra raw material is attainable and in constant flow from inside the plant - a benefit not easily ignored.

The biscuit factory entrepreneurs, however, refused to employ this - the most common method, so that the volume of their illicit production necessarily remained limited. In all the cases I came across in which the level of illegal production was much higher than the legitimate, people had to adopt this alternative (or the next one, which is a variation only) in order to obtain a sufficiency of raw materials. The management of the biscuit factory, however, used deliberately to stick firmly to required standards and for three good reasons:

i) as stated, they were able to avoid the risks involved in the operation of sudden and unplanned checks; as well as the danger of a long-term detection ("you never know in whose hands a packet of these biscuits might end up").

ii) its products were thus able to achieve a good reputation and were able to sustain a demand for their illicit produce;

iii) their high standard provided a basis of reputation on which they could count in times of need. "The rumour spread" said one of my informants "that we are strictly straight. It was considered almost inappropriate to check on us." It also became a source of strength for other figures, who had some responsibility for running of the (formal as well as the informal) business. "The Mayor (who was on our payroll) was very proud when in other places he was welcomed with a handful of our products." Thus, by ignoring Alternative A, the biscuit factory lost the opportunity of maximizing its output but avoided considerable risks.[4]

Alternative B - Cheating on the Quantity

This alternative is a variation of Alternative A. In the biscuit factory example, it would mean the manufacture of its biscuits at, say, 9 grams instead of the compulsory 10 grams. In this way it would free a 10% extra supply of raw materials. This method is rather

common in some industries where the raw material comprises such goods as metal, wood or cloth, in which it is difficult for the consumer to check the amount involved in manufacture. As one of my informants from the textile factory explained: "If you're making stockings, for instance, it's not easy, even for expert controllers to determine a deviation from the standard. The standard itself allows flexibility - it has to - due to human error and machine variability." However, with foods that are sold in fixed quantities a consumer may detect that he has received short-measure. This is where much of the danger lies - the weak point in the chain. No one can anticipate to whom the goods will be sold or the standing of those who will buy them (see the case of the Komsomol - paragraph 5.2 (c)). Planned safeguards are normally employed against 'traditional' overt dangers only: the police and the sources of regular controls. (Account V in Chapter 8 on Crisis Events deals with an 'irregular crisis of such a kind).

Alternative C - Falsifying Qualities

While in alternatives A and B a manufacturer will attempt to sell a cheap product as if it was a perfect one - another alternative is to consciously sell a second rate good at the price set for a first.[5] This practice then encourages a manufacturer to make as many seconds as he possibly can. The surplus of raw materials then becomes his property and is available for further production. An informant gave the following account of how he acted as a distributor for production achieved by this method:

> "One day I went to Kharkov on a regular working trip and as usual I was looking for a business opportunity. So I went to a shoe factory, with which I'd already done some deals in the past. They were producing **galoshi** - a sort of rubber boot, much in demand in rural areas for use on muddy roads. I met my contact man there and he suggested to me that I should buy a whole series of galoshi which were really supposed to be 'disqualified goods'. Really, there was nothing wrong with them: they were all perfect Class A items - but this was the Levi.[6] So I bought three railway wagons full of galoshi: small, large, medium; galoshi for women, for children, half-boots, full-boots, extra long boots - thousands of them. They were all stamped inside with **Uzenyon**

Brak that is 'faulty product', which means they were supposed either to be destroyed or sold at a special few shops which specialize in such merchandise. I paid 30 Kopeks a pair, which went straight into my man's pocket, as the goods were officially declared as destroyed. I shipped them all back to Georgia where each pair fetched 2.08 Rubles. After, of course, rubbing out the false statement. It took months to sell out the whole stock but it made a nice little deal."

The main disadvantage here, however, is that such a 'combination' has to be a one-off event. One cannot go on producing defects continuously, and it is consistent operation which marks successful illicit production. One can see that for illicit production to really succeed, it needs to be continuous and this in its turn needs the application and support of an extensive personal network. Such networks are expensive to maintain both in obtaining material and social contacts. This type of maintenance is only made worthwhile by a long and enduring commitment.

Alternative D - Copying the Existing Product

This alternative was the one adopted by the biscuit factory. It produces superfluous goods - more than the quota but not excessively more and it makes its illicit production indistinguishable from its formal production. In this way advantage is taken of existing machinery, the production process and the existing work force.

Because such illicit output is indistinguishable from legitimate output it is able to pass undetected at all points in its passage from production to the consumer. This is particularly important in its movement from the factory to the store. The presence of ubiquitous road patrols at all main intersections in Georgia, as elsewhere in the USSR, makes the transport of illicit goods a high risk aspect of illicit production. Once in the store, however, copied goods can readily pass as official goods.

The incentive for the retailer in stocking copied goods is obvious: he gets private produce, which is an exact copy of the state produce but at a cheaper price. In this particular case it was sold to

retailers at 15% less than the official price.[7] This allows him considerable profit without having to sell at an artificially high price.[8]

This method though safe is difficult to expand upon, since it depends upon the same productive resources required for the Plan, only more so. And it also has problems - the constraints and difficulties will be examined in detail throughout the remainder of this chapter.

Having made a choice, let us now examine in detail how the biscuit factory conducted its illicit operations.

3. ORGANIZING BLACK PRODUCTION: HOW THE BISCUIT FACTORY DID IT

3.1 Obtaining Raw Materials

As we have seen, most methods of obtaining extra raw materials involve 'milking' supplies from formal production, thus reducing either the official products' quality or its quantity. Our entrepreneurs, however, decided not to follow this path. So how did they obtain their raw materials and from where did they come? "You buy them in the shop, like any ordinary customer" my informant explained. "Well not like any ordinary customer" he continued "but basically what we needed were daily household goods: sugar, flour, eggs, fats and salt. So we had contacts with our four shops which we used to turn to for our regular supplies: of course we paid them more than the normal price. After all, the shopkeeper takes a risk in selling a large quantity to a sole customer. In urgent cases, though, like if we were expecting a possible control[9] and we had just consumed a lot of official raw material for our private ends, we could always get the extra stocks from a bigger number of stores. If we were really desperate, though, we might even have to go to brokers who we knew had the know-how about where to get the stuff we needed, but who would need paying extra. Some of the supplies we needed would be part-exchanged for ready-made biscuits we delivered to the same shops." In this way a complete cycle of mutual interests and of reiterated commitments between shop and factory were maintained over several years.

3.2 Packing and Labelling

A frequent and universal hurdle that bedevils much black production is involved in obtaining ingredients which make up the final product but which are not made in the factory. In this particular case these comprised the packaging and labels. Like raw materials, they too are supplied according to the official quantities designated in the Plan. Consequently it was necessary to have contact with a printing workshop and with a packing paper manufacturer. Mars (Personal Communications, 1982) visited a tea plant in Georgia which manufactures five different varieties of tea. They are supplied with five different boxes, five different labels, and five types of packing paper - each supplied by one manufacturer (fifteen manufacturers in all). The plant is penalized if they retain stock for more than one month.

Whatever the reasons for this practice, it certainly serves as both a safeguard and control against illicit production. At the same time, however, it highlights the inbuilt paradox of the system. After all collusion with only one of the fifteen suppliers allows at least some illicit dealings. Thus, the more sanctions a hierarchy imposes, the more power leaks from the centre to the periphery. In this case, the workshop chosen (presumably because of personal contact) was some 50 miles from the factory, which added the additional risk of transportation (on the risks inherent in using illegal transport, see below). Usually the print-run would be made only once or twice a year, to reduce the risks involved as well as to lower costs. But there was still the problem of storing these components. To store them in the factories' warehouse would be too dangerous. There could be no possible legal justification for holding large stocks of such items, so different people - normaly not directly connected with the private enterprise would be used to store them on their premises - usually for short periods.

And yet to be dependent on an outside source for produce and supply is a major risk - there is always the danger of being detected, not through any fault of one's own but as a result of the exposure of a secondary manufacturer. The biscuit factory faced a real crisis on these grounds with one of its label suppliers (Account IV in Chapter 8, see paragraph 2.2).

It is for this reason this that every effort is made to contain production of secondary ingredients inside the enterprise. Necessity is the mother of invention or as the Georgian saying goes: "When you are desperate - you always find a way out!" The following case illustrates this:

> "Some of the biscuits needed a special nut on the top and our supplies of these were limited according to the specified production Plan. This might seem a very tiny detail but nevertheless it's a crucial one. You just can't complete some biscuits without the right nut. Now, where do you get them from? It happens to be that not only are they supplied from outside, (the factory and the locality) but they are imported from another republic.

So we had no hope of obtaining extra nuts from the official source.

"At the beginning then, and for two years, we used to cut down the full-sized nuts into halves, so that we doubled the available quantity. There were times when two girls used to sit the whole day long slicing these nuts and various explanations were produced to account for this: that some of the nuts came spoiled and the faulty bits had to be removed, and so on. But it looked as if this could not continue for long. So, we worked out a new substitute which we made ourselves out of local ingredients so that it could be produced in the factory and which was cheaper. And it looked and tasted the same. I was prized for that invention and so we switched to artificial nuts."

From my discussions with informants I was assured that this kind of inspired innovation and adaptation is almost a routine in black production. It is indeed in this sector of the economy that innovation and a fast adaptability are institutionalized. It is not surprising either that the 'formal' economy benefits indirectly as well.

3.3 Manpower and Machinery

The next question to be answered is <u>by whom</u> and <u>with what</u> are the black products to be made. Normally I found it to be with factories' existing manpower and with state-owned machinery.

In some industries employees are not aware at all of the fact that they are working for private ends. If a management employs alternative A or B to obtain its extra materials, only those involved in certain stages of the production need to be involved in overt knowledge of the deception. In the case of the biscuit factory, these were those involved in preparing the dough and in operating the electrical machinery. The rest, the majority of production line workers, the packers, and the clerks, would not be involved. Here the intelligence principle: 'the need to know', operates clearly. The fewer involved, the less likelihood that knowledge might be misused. This kind of deception was usual practice in most cases of black production that I discussed.

In the biscuit factory there was, however, a higher than usual chance of detection because of the necessarily regular movement of raw materials from other than officially expected sources and this necessarily involved a wide extension of dangerous knowledge. The entrepreneurs were therefore cautious. They acted on the assumption that all their employees might have some idea about what was going on (even though this had never been discussed with them) and they remunerated all of them accordingly.

The time needed for black production normally causes further concern. In the biscuit factory this raised no major problem as the ratio of private to legal produce was rather modest: 0.4:1, and the annual contribution by the Plan fixer in Tbilisi was designed to leave room for additional produce without much difficulty. However, occasionally even here overtime and even weekend work was sometimes required.

In the other cases I know of, where the ratio of illicit produce was much higher, the people selected for regular overtime were carefully chosen - not only for their occupational merits but also on the bases of trust, loyalty and familial reference.

Black production necessarily involves the extra and sometimes the excessive use of machinery. In the biscuit factory, however, this too did not prove a major problem, possibly because no faults or premature amortization could be directly attributed to above-normal use. In other cases, however, two different methods were adopted to enable machinery to last longer: firstly, machines were declared broken at more or less fixed intervals in order to establish a false norm for breakage which took into account the factories' additional black production; and second, those spares which were worn out, as a direct outcome of excessive use, were either maintained or acquired privately - usually via official channels and for an adequate reward.

3.4 Stock and Book-keeping

A universal problem exists when two parallel production systems operate under the same roof and especially when one is official and the other is black. This involves having to balance an account for all the elements of production used in both systems, and to keep a feas-

ible and a reasonable ratio of final stock to raw materials. These accounting problems become crucial in the Soviet system because of the ever present fear of a sudden control swoop. Control over production (under the responsibility of the Ministry of Trade) would come in the form of an audit carried out once or twice annually and the dates of these would usually be known beforehand. This kind of intelligence is one of the services expected of the regularly paid local officials and it therefore serves to defuse the danger inherent in such audits. As has been stated, however, the real dangers arise from sudden unplanned swoops. The aim then is to perpetually keep all elements in balance so that any sudden control will not find too much or too little produce in relation to the expected balance of raw materials and supplementary items such as packaging and labels.

This need for balance certainly affects both the production and the distribution of black goods. In the biscuit factory, since the management had decided on a policy of caution, the tendency was always to produce in small quantities only and to do so on a continuous basis. Linked to this and maintained rigorously, as a matter of high priority, was the policy always to move all goods out of the factory to their designated customers as soon as possible. However, if there should arise an unexpected demand for black goods, then it would always be possible to take some from official production since the product was the same. When this happened the balance between production, stock and book-keeping needed to be re-established[10] and this usually meant acquiring the missing raw materials quickly.

Book-keeping in the 'second', informal biscuit factory was relatively simple and tended to be verbal and not written. For some time a second set of books had been kept on his own private premises by one of the partners, but this practice was subsequently abandoned. The close and daily relations between the partners allowed an efficient transfer of information and decisions were always able to be taken on the spot. This was also the case in the metal factory.

In more complex systems with a higher rate of illicit business and especially when deliveries were not made on a strictly cash basis, some record of illicit book-keeping was essential. I found that typically these records were kept by a key figure in the enterprise,

often the warehouse manager who controlled the flow of stock and who in addition was normally responsible for formal accounting. This was the case in the textile factory.

3.5 Distribution

The distribution of illicit biscuits was normally limited to only four shops who were also taking official goods - thus allowing use of the normal channels of distribution. As the illicit output was rather modest there was never any real problem of choice in assessing who was suitable as an approved outlet and who was not. But even with greater quantities to dispose of, I found in other industries that distribution (apart from transport - which will be discussed later) was the easiest element to organize in the whole complex of the private enterprise. In an economy of scarcity consumer goods are easily disposed of.

4. TRANSPORT

An understanding of the role of transport is a key element in understanding second economy activity within the USSR. As a 'key variant' (Trist, 1981), it determines, to a great extent, the effectiveness or otherwise of the illicit enterprise and often the limits of its expansion.

I will discuss the issue of transport here in the context of the factory and again when addressing the principles that govern the organization of retail business in Georgia. As almost the only means of transport available to factories is road transport, I will focus on it in this chapter and discuss its various alternatives in the later discussion of retail distribution.

The problems of delivering goods by road are identical whether the movement is to the factory - in the form of raw materials - or from the factory - in the shape of made up products. Whether at the beginning or end of the process, however, transport is invariably a bottleneck for those involved in illicit production. The difficulties involved derive from the controls exercised by the police who patrol all main roads and who are based at road intersections throughout the USSR. The typical way of dealing with police road patrols is to bribe them or those who control them. There are problems, however, that arise when one comes to bribe a road patrolman. Since the base level policeman is relatively junior and is likely to be frequently changed, this itself makes for uncertainty. Another problem is that only one straight policeman on a route can jeopardize a whole undertaking.

Because factory managements find that their biggest transport problems come from road patrols, they naturally try to reduce their dependence on road transport. It has been suggested to me that one of the principal reasons Soviet factories so often reduce the quality of their goods by fiddling their constituents is because this method at least supplies them with raw materials and, in doing so, increases their independence from transport hazards.

4.1 Obtaining Transport

The first question to consider is from where do managements obtain their transport? The supply of vehicles is strictly controlled and their allocation limited. Georgia, however, has the largest number of cars per capita in the Soviet Union (Kipnis, 1981) which is indeed an excellent indication of its primary position in the Second Economy.

The most common and the safest way to obtain access to transport, is simply to employ official vehicles, whether in the formal service of the factory or of the retailer, and to use them only partially for the transport of illegal items. But transport requires not only a vehicle, it also needs a driver - and - not <u>any</u> driver will do. In the biscuit factory, for instance, only one of the factory's two drivers could be trusted though both were technically proficient. Normal driving skills, however, are not enough: a driver in the service of a private enterprise has also to be able to cope with emergencies (eg. by being able to cope when stopped by road patrols) and to have sound social contacts (that can be activated for instance, in emergencies). But the most desired characteristic of a driver according to several of my accounts, is that he must above all, be discreet - he must be trusted not to speak out about what he sees.

One cannot, therefore, underestimate the importance of a driver where the job involves delivering illicit goods. Even if formally the responsibility for the content of a delivery is not his - as for instance when he is accompanied by the person in charge of the goods - he still has to account for the excess mileage which will often be involved. Because he is technically liable for only small offences, he therefore becomes a potential weak link in the private factories chain of security. This is why drivers have to be carefully chosen, are well rewarded and possess a prestige well in excess of their formal social standing.

After the questions of vehicle and driver have been satisfactorily solved, any collection or delivery of illicit goods still has to take account of two further issues: documentation of the goods and road patrols.

4.2 Documentation of Goods ('Faktura')

Any purchase of goods involves an accompanying documentation called a 'Faktura', which serves the functions of a detailed log of quantities, prices, times and personal certification. Table 1 presents the documentation - the Faktura - used for the purchase of merchandise in the biscuit factory.

Table 1: Faktura of the Biscuit Factory

F A K T U R A*

The Product	KG	Packing (Boxes)	Price per unit	Total	Time**
Round chocolate biscuits (loose)	50	1	50 R	50 R	09:30
Round chocolate biscuits (wrapped)	50	100	0.50R	50 R	09:30
Triangle vanilla biscuits (loose)	50	1	40 R	40 R	10:00
Triangle vanilla biscuits (wrapped)	50	100	0.40R	40 R	10:00
In Total	200	2+200		180 R	

Dept. A - Vendor's name + signature

Dept. B - Vendor's name + signature

Dept. C - Vendor's name + signature

Accounts approval (signature)

Factory management (signature)

* Filled in four copies: one to the client, one for the selling department, one for accounts and one to be left at the gates of the factory.

** Time goods were handed over to purchaser. Usually it means time the car was loaded in warehouse with the appropriate goods.

As is shown in Table 1, the Faktura is designed to specify the contents of a consignment and to state the responsibilities of job holders in relation to it. It is designed to minimize error and make discrepancies easy to detect. As a result, it identifies and makes vulnerable those who are involved in illicit production or distribution. Obviously, if one moves extra cartons which are not accounted for in the Faktura or the whole delivery is unofficial, then the people involved face some danger. To provide needed protection from the Faktura, four typical methods are employed. These firstly depend on using dual records, second on the multiple use of records, third on the use of taxes, and finally what can be called 'opening the road'.

(a) Dual Records

A dual record involves the creation of a document with only temporary validity. Such a document describes the correct shipment that is in transit and it is produced at the appropriate check points, for the departmental accounts and to the security staff at appropriate gates. The only difference between this document and a bona fide Faktura is that these copies are not recorded until the safe return of the driver. Then, all dual documentation is destroyed and an alternative Faktura can be prepared and, if considered necessary, be recorded in the books. It is this method that operates in the more sophisticated illicit factories such as the textile factory that have a large output to dispose of and who needed to transport it for distribution along routes at a distance from their power base. Dual records in these circumstances also allow some degree of control over a large and steady flow of illicit produce and permit the maintenance of some form of continuous (even if temporary) record keeping.

(b) The Multiple Use of Records

In the biscuit factory where illicit produce and shipment was not a matter of daily routine and where illicit output was relatively small, the method used was more primitive. The driver would first complete one legitimate delivery journey backed by true documentation. He would then rush back to the factory for a second, identical load, this time of illicit produce. He would still keep the same documents and so they served him twice. This was possible in the biscuit factory case for two reasons - firstly, the unofficial produce matched the

official: it was identical in all respects, and second, distribution lines were short, so that the time discrepancy between the first and second departures was minimal.

This type of deception is only possible when deliveries are relatively infrequent and when they take place within a relatively small radius of the factory. It reveals, however, a structural dilemma for small-scale business, in that expansion often appears to be limited by the inability to distribute beyond a small constraining radius. As distributional distance increases, the hazard of involvement with ever more distant patrols who exist increasingly beyond the scope of one's network, also increases (see Account III in Chapter 8 for a similar case). The management of the biscuit factory consciously decided to limit its operations to its local scene because it lacked both the social and economic resources to capture these more distant sources of state control.

The multiple use of documentation does not, however, end with the safe arrival of goods at the store. One shopkeeper explained:

> "If, say, I get 100 units of lampshades from a factory, and this is official, on a Faktura, then I will keep that Faktura as a cover for any future unofficial transaction. But it's only useful if I can get the same product from the factory as a private venture. However, I'll never take more than 90 units unofficially. Then, if it's necessary, I can always produce the true documentation and claim: 'You see, I sold ten items but unfortunately this stock is not in demand. I can't get rid of it.' In this way I can use one official Faktura for months, all the time privately ordering the same product again and again but never to the full amount specified in the document. It would look too suspicious not to have sold a single item over a long period of time."

(c) The Alternative - Taxis

Taxis have the advantage of not being normally suspected by road patrols of serving as a means for illicit delivery. They can therefore be used for goods which could not possibly be covered by formal

documentation, as for instance, where the illicit product differs widely from those the factory is chartered to produce. For example, if a factory that manufactures copper plates for industrial use only unofficially switches to produce household items such as pipes for domestic supplies, saucepans, plates and ornaments (Georgia is acclaimed for its copper artistic work) then the factory cannot back its unofficial deliveries with any relevant documentation. It would then use the taxi service instead.

For the taxi driver this would prove a worthwhile collaboration. According to my information, a moderate estimate of illegal transport frequency for the average driver is one trip a week, which would amount to some 30% of a driver's <u>total</u> weekly income. One informant, a taxi driver from a rural town, estimated that hardly 10% of the taxi drivers he knew would not collaborate in such illegal journeys. Agriculture proved to be an almost unlimited source of income to taxi drivers since many of the villagers who trade their produce in the market-towns lack any means of transport.

(d) 'Opening the Road': Taking Advantage of the Controls

Another method is of particular interest. This is because it highlights one of the fundamental weaknesses of the formal system of controls and central planning. An informant explains:

> "One way of 'playing it safe' in getting both extra raw material for private produce and transport would be to speed production at the beginning of the year (or the month)[11] thus exhausting the existing stock, providing materials would reach us in a steady flow, according to production targets. We would then ask official permission to withdraw additional raw materials from the central warehouse or perhaps from another similar factory, on account of the expected future supply. With this official permission, of course, will come official transport authority. Or we would announce a machinery failure which resulted in a line of faulty produce, again 'urgently' needing raw materials. We will then find a volunteer among our sister-plants who would agree to 'lend' us our needs; thus we would get not one, but two official permits which allowed us raw materials and the allocation of a vehicle, driver, petrol and adequate documentation to travel

between two points: once to receive the materials and later to return them."

This method takes advantage of the very safeguards built into the system and which are designed to make misuse difficult. It involves finding a reasonable excuse to obtain an extraordinary travel permit. Once this is achieved, the system itself will guarantee a safe journey.

4.3 Road Patrols

Road patrols are carried out by policemen. They operate especially on the metropolitan, main and high roads. Some are mobile and others are posted at particular points, especially crossroads. Each is linked by radio to a particular regional police station from which they operate. It is regarded as a relatively lucrative job since they are expected to take their share in the second economy. From the accounts I obtained, the following is very typical:

"Say I'm on my way with illegal goods and a policeman stops me. He asks me: 'Can I see the Faktura?' (Bill of Lading) so, without direct reply I hand him over a handful of notes, meaning: 'Here is your share; good day officer: I never met you - you never met me.'

"This would usually be enough. But not always. Sometimes I would add: 'Look, I already lost any profit I hoped to make,' meaning that he should not make me any further troubles. And that is - not to tell his comrades on the radio that a victim is around. But this would not always help, since policemen often 'work' in companionships. So, after picking up his share, the officer could announce on the radio: 'Be careful to observe car . . . registration no . . . which comes towards you. I already stopped him and got some money - now you can have a go.' Sometimes you would argue and if the officer is stubborn you can always say: 'Look, mate, that's it. If you don't like it you can report me. And then what will you gain?' and sometimes one would not earn a penny because on his route he would be squeezed - that is stopped several times and pushed to give large sums.

"It happened to me that I was short of cash - but this was no major problem. If a price was agreed then this would be accepted as a commitment and you could come after a few days or a week and pay out. More than once I would go to the officer's home to hand him the money and he would invite me for a feast which would cost him more than what he gained from me. But food and drink belong to a different world."

It is always better to make deliveries during normal working hours and even more so in rush hours when jams of traffic make detection more difficult than usual. Obviously, a transit van at night looks highly suspicious.[12] A retailer recounts his routine worries while transporting goods by road:

"On the way to where I pick the goods, I used to stop at the police post that might endanger me on the way back. I would disclose my intended purchase and negotiate a price. Then, on return, after I got all I wanted, I would hand them over the agreed sum. Sometimes, when we got more than one car, we used to stop the van - at some distance from the road patrol post and with the other car we would go to check who is on guard and negotiate a price. If there were two it would be more expensive than if only one was on guard and then there were of course different persons: some more lenient, some more greedy. Sometimes we had to cut through by-ways, since it seemed to be too costly to obtain their consent."[13]

Road patrols seem to have entered Georgian folklore, at least in Ashkelon where many of the discussions on street corners during warm summer evenings would nostalgically turn to ways of outwitting or bribing road patrols. Most of the following case details were obtained by involvement in such a discussion. In these accounts, there is always the likelihood of exaggeration and boasting. Where accounts were not verfiable by a second source, they were nonetheless subject to internal testing at different times (see Chapter 2 on Methodology).

"I used to do regular transits mainly of leather and other stuff for the produce of shoes. The route was a very long one, 250 km, and therefore risky - since it involved policemen and road pa-

trols from several regions and I had this encounter with officer G, who was on patrol at . . . G stopped me one day and told me in an amicable manner, but unambiguously: 'Look here, B, I know about your business, so why won't you give me a monthly salary? It can only be for the best.' I accepted this in principle (what else could I do?) but we didn't agree on the sum, so we broke off discussions. A week later, to my bad luck, he stopped me with my van loaded. I was saying to myself: 'You have had it this time, B - there is too much overcargo in the van.' But I had no choice, so I stopped and he said to me (there were two of them: he and the driver). 'All right, open the van - let's see what you got there.' So I told him straightforward what I got in and he replied: 'Right, so what do you suggest we do now? You know perfectly well that I am in a position to arrest you on the spot.' So after such introductory sentences, he finally said he wanted 5,000 Rubles in exchange for not disclosing me to the authorities. So I said to him: 'I haven't got the money with me. You know what? Come with me to where I unload the stuff and I'll get money from some people there who owe me.'

"So off we went and then we unloaded the van and dispersed the goods to different places, all in his presence (this was done on purpose: once the goods are unloaded and dispersed there is hardly any proof of illegal delivery). And I gathered some money and gave him 500 Rubles which were worth 5,000 Rubles in old notes. Then looking at him with innocent surprise, I said: 'You were not thinking I was going to pay you 5,000 <u>new</u> Rubles?'[14] And G, cursing and laughing at the same time, responded: 'The way you screwed me - no Jew ever did.'

"In the coming months I was very careful not to have our ways cross again. I had full information on the timetable of road patrol posts along my route, so this was not too difficult to manage. However, after some five months I wasn't able to avoid him on one particular trip, so what did I do? I decided that this time I will not, as usual, go in the van but in a private vehicle. And I told the van driver: 'If G stops me you go on and pass him as if its none of your business.' And indeed it worked. I was not driving the car, but my friend was at the

wheel and we had picked up a girl who wanted a lift. Both were sitting in the front and I was at the back pretending to be reading a book. I guessed G might spot me but that he would not figure out the distraction of the second vehicle. We were stopped and G said to me after flagging us down: 'Hey, be careful not to tire your eyes with too much reading.' He sounded very contented to have spotted me. 'Well, let's not waste any time - tell me yourself what you've got with you this time.' I started to cooperate with him, in order to distract his attention from the road where the van, which was three minutes behind me, was expected to pass.

"'You caught me this time' I said 'But tell me, have I not been fair with you in the past?' I tried to seem as if begging for sympathy, in order to gain time. And after the van passed safely, I finally said: 'All right, I will open the boot for you - you can see for yourself: there is nothing in it.' G almost died. 'God, screw my mother if you haven't fixed me again' he shouted 'now you must tell me how you did it.'

"I didn't tell him but I gave him 100 Rubles so that he wouldn't feel too bitter on me."

Road patrols are a constant threat to illicit goods deliveries but, like other deterrents to the smooth operation of illicit trade, once they have been 'captured', incorporated into the social network, and can take their share of illegal profits, their monopoly of power (though limited) can be utilized to contribute to the continuous flow of illicit production and distribution.

5. THE INFORMAL STRUCTURE OF THE INFORMAL FACTORY

"One hand washes the other and both wash the face." (Georgian proverb)

This expression often arose when discussing the second economy with my informants. When inquiring what it meant, the common explanation was that the only way to succeed in illegal activities is through co-operation - like the hands that have to co-operate in washing each other. Co-operation always means the fusion of the formal with the informal - a fusion expressed in a mutual common concern.

5.1 Partnership

One universal characteristic of factories producing for the second economy is the need for collaborative effort, ie. for partnerships. This is a marked difference to the operation of stores. While the unofficial side of even a large super-store can be run by one person, I did not come across any factory (even those with only six employees including the managers) that ran without some sort of co-operative partnership. Partnerships are necessary because of the complex nature of illegal manufacturing which, as has already been seen, involves not only the dual production but also the dual organization of deliveries: raw materials into the factory and final products out of it. It would appear that the meshed complexity necessary for illicit production means that no single person and no single personal support network is able to encompass all the necessary bonds to keep the operation going and to ensure the mobilization of support in times of crisis.

I shall now examine in some detail the functional relations among the three partners of the biscuit factory and assess the role of their personal support networks in establishing and maintaining their factory's informal organization.

The factory's General Manager had the strongest personal support network core with a total score of 16.[15] It is not surprising that he held the most senior position in the factory since his network core was probably even stronger than the figures suggested as his father was general manager of another biscuit factory in a nearby region. The combination of a father (first-rate obligatory bond) in a powerful

position in a similar plant, goes a long way in asserting one's own standing.

The Stock/Warehouse Manager who also acted as Accountant had a weaker personal support network core, with a value of 10. However, he had a particular strength: three members of his family worked in middle positions (though in different capacities) at a nearby factory. Two of the three were dealing with stock control and book-keeping in the same area as himself.

The Production Manager's position is particularly interesting since he had a very weak network with a score of only 7. His father was dead at the time he entered the factory and he had no brothers - that is, no first-rate bonds. He however had some unique contributions which helped him in taking up a share in the partnership, though not without a struggle. Initially he had difficulty in entering the factory. This is his story:

> "I was at the time in my late twenties, very poor indeed and we'd just had our first child. I was studying and about to complete my degree as a food production technician, but failed to find any adequate job. The only openings in my area at that time were in the biscuit factory. I'd already approached them and was told that there was no vacancy for me.
>
> "To my luck, I was at the time a member of the local football team - and rather an important member - I was the centre-forward. The coach was very sympathetic to my plight and said he would try to help. He took the occasion when the Mayor, himself an enthusiastic football fan, came to a training session before an important match. When the Mayor asked, as a matter of courtesy, if he could be of any assistance to the team, my coach presented my problem: 'How can X concentrate on his game when he's got so many worries and often he is not even fed properly?' he asked him.

"The Mayor asked to see me and said: 'Is it true what I hear about you?' and I replied: 'It is indeed, your honour.' 'All right then,' he said, 'I'll grant you a licence for a shop.' He assumed that as with most Jews I wanted to do business, and a licence is worth money - not officially of course, but in practice one could not get one unless it was paid for. I said: 'Thank-you, your honour, but I am not a businessman - all I want is to practise my trade.' 'And what trade is it?', inquired the Mayor. So I went on and told him about my studies and my wish to join the local factory and that I heard they have vacancies but that I'd already been refused. 'You mean you want to be registered[16] in the factory?' asked the Mayor. It took me quite some time to convince him that I actually wanted to work there.

"The Mayor then said: 'Leave this with me.[17] Tomorrow morning go to the factory and at 8.00 am precisely wait outside the General Manager's office.' So I did. I was there on time - really quite some time before that, and I remember the Manager entering his room without even glancing at me, and then at 8 o'clock the telephone rang and I overheard bits of the conversation. The Manager's voice became softer and softer and he sounded more and more apologetic. At one particular instance he was saying that I was refused because they didn't want to offend me with a simple job and all the managerial positions were filled up . . . Shortly afterwards the Manager came out of his office and I was immediately accepted to work."

The Production Manager's exceptional qualifications - technical as well as social (he was the only Jewish footballer in the town's team) - meant that he had access to people and resources not usually approached by Jews. He was also renowned for his drinking capacity, so that for all these reasons he gradually came to adopt the role of the factory's 'foreign minister' in the words of a companion - it was he for instance who made contacts with officials which, traditionally, would involve hard feasting in local restaurants.

During the sixties there was a drive by the authorities to install only professionally qualified people in senior positions. Thus, the Production Manager's genuine qualifications[18] became an enhanced asset

- especially as his partners lacked adequate credentials, and this further added to his total social attributes and allowed him to compensate further for his weak network core.

It is important to note, however, that while the core of a personal support network is based on familial bonds - its extension and indeed actualization - often depends upon the age-based peer group. The three partners were part of the same peer group, which helped to ease their personal relationships with each other. In addition, however, each of the three partners had some three to four close friends[19] (altogether ten friends) who formed part of their overall total social support network. In a very real sense, therefore, the factory management, as an entity, had its own social support network.

Decision-making regarding illicit activities was highly informal. This was firstly because the three had a close relationship, secondly because the level of illicit produce was relatively modest and finally the production process was fairly continuous and both the sources of raw materials and the number of agents for the final product were few. Indeed in this factory illicit production did not require frequent decisions: it had become largely routine.

Another reason for limited decision making was because a degree of specialization existed between the partners. The Production Manager would deal with outside agencies, while the Stock Controller quite naturally took over the functions of stock balancer and book-keeper. The General Manager tended to deal with manpower and hence took responsibility also for extra work and extra remunerations. But in no way were these specializations exclusive, and roles tended to overlap.

Apart from the three partners, who shared profits equally, the employee most closely involved in running the illicit enterprise was a foreman on the production line. He was a Gentile and he of course brought to the enterprise his own personal support network. He also contributed muscle to the coalition. He not only looked ugly and could be extremely frightening but he also had a proven record of ability as an amateur boxer. Like the Production Manager, he too had climbed to his position by having the right qualities at the right

time and place. In a particular crisis (described in Chapter 8, Account VI), muscle and a frightening visage were thought to be necessary, and he had carried out the job as 'heavy' to perfection. Since then he had become closely associated with the factory's illicit activities. Though he did not have a share in the partnership, he was frequently remunerated 'to keep him happy', as my informants put it.

5.2 The Factory as an Open System

Figures 1 and 2 present the organizational layout of the biscuit factory showings its formal and illicit production processes. The striking overall impression is the overlap of both structures: the process of production, the organizational responsibilities and the inclusion of outside factors are largely identical. All parties involved in planning the factory's formal operations have a stake in its illegal activities. The person responsible for setting the production targets, the local government official who licenses the plant, the head of the enterprise who has administrative responsibility for the factory and last, but not least, the shop-floor workers are all involved in both aspects of the factory's production.

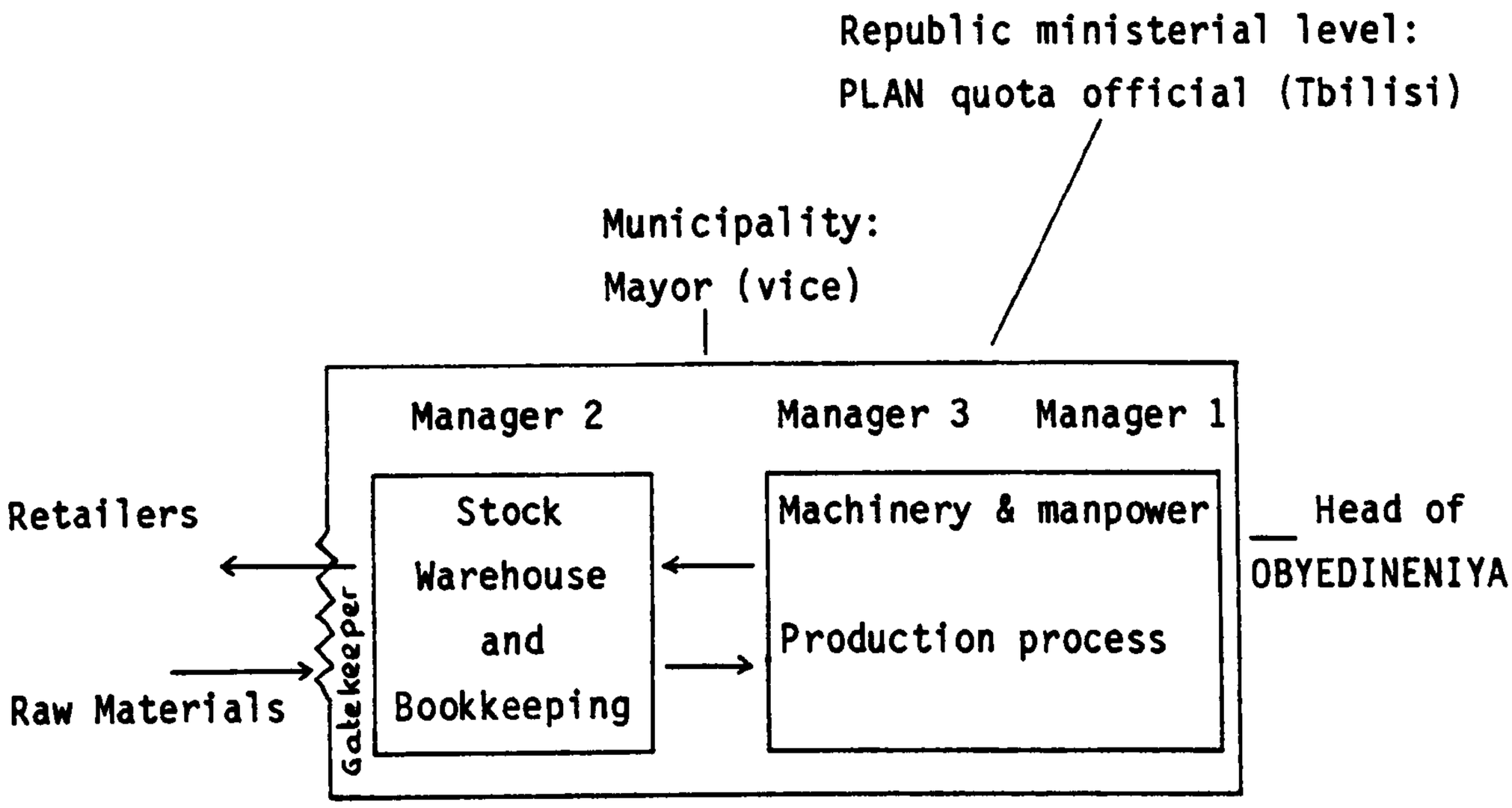

Figure 1

The Formal Structure of the Biscuit Factory

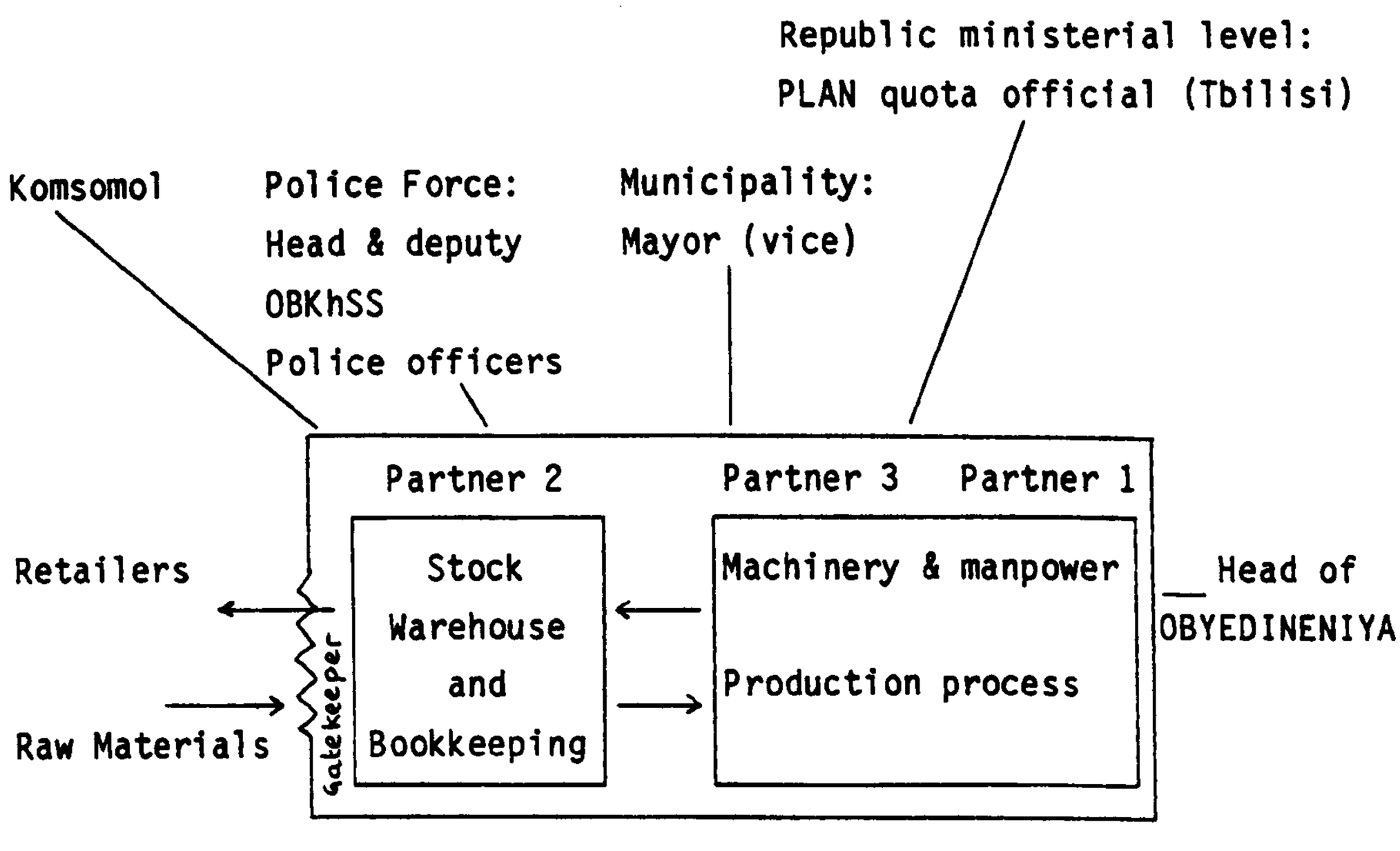

Figure 2

The Informal Structure of the Biscuit Factory

The only difference between the working of the factory's formal and informal structures are a number of additional bodies: the police force - who are always involved in illegal activites and expect to be bought off or else . . . and the Komsomol - the Communist Youth Movement - which occupies an exceptional role in my case study. Factories have usefully been seen as open social and economic systems set within an overall environment with which they engage in interactions (eg. Katz and Kahn, 1966). This simple conception applies just the same to illicit factories engaged in the wider system of second economy relationships.

As in any transaction there are at least two parties to a deal. Not only have the factory managements a vested interest in obtaining the co-operation of the agencies which govern their operations, but the latter are likely to have corresponding interests as well. Sometimes, as the saying goes, 'the calf wants to suck and the cow wants to suckle', which only suggests that certain enterprises with potential spin-offs are prone to pressure from their surrounding environments. All my informants who held managerial positions agreed that pressure to operate illegally is just as likely to come from outside the enterprise as from within it. One manager explained:

> "You cannot afford to be innocent. Different people expect you to pay them and if you don't they'll either see you're removed from your job - that is, if you don't take their advice and resign - or they'll incriminate you. This last possibility isn't too difficult. Everyone makes a mistake from time to time, only in Georgia it's assumed that there are no genuine mistakes and any incident - anything at all - can be used as a pretext against you. You either pay or you are out of business. It's as simple as that."

This kind of duress may come from any of the three bodies which have some sort of control over a factory: the professional heads (the organizational superiors and planners), local government and the police force. All of them may expect remuneration, whether or not anything illegal occurs.

It is in this respect that the concept of an organization as an 'open system' gets a special meaning within the Soviet Georgian economic context. In the same way that a formal organization is subect to transactions with its environment and to some - often considerable - extent is shaped by its demands, so too is the informal organization.

(a) Head of Obyedineniya

It can be affirmed as a general rule that any organization in a bureaucracy like the Soviet economic system is accountable to a higher authority. In each of my cases the direct dependencies varied from factory to factory. As with the biscuit factory, the professional directorate (who also set the production targets) sat in Tbilisi, the capital, and the head of Obyedineniya (Association of Enterprises), which incorporated some other local industries, appeared to have only administrative responsibility (the exact nature of which I do not know). However, he rarely intervened in the running of the factory and used to limit his contacts to twice annual visits. This does not imply that he was uninterested in the informal biscuit factory. On the contrary, he expected to be remunerated and indeed he was, considerably so: he used to get a share of the profits and was the highest regularly paid official on the biscuit factory's payroll.

(b) Plan Quota Official at the State Ministry

This is a most influential position, since its holder determines production targets. The position has no direct link to illicit produce but it certainly has a determinant effect on formal production and hence, indirectly, also on the informal production.

When this official is lenient on the level of production targets, the factory can achieve two aims: first, to better the chances of completing its designated tasks and secondly in having more control over its available resources - that is, more free staff time and an underutilization of machinery, which both increase the discretion of the factory's management.

The importance of attaining the first aim: cutting-down production targets, cannot be over-estimated. It is not only because of the obvious spin-offs for illicit produce, but also for the smooth running of the formal organization. It is in this that one can see, perhaps, the clearest interdependency between the formal and informal economies as this applies at factory level.

(c) The Municipality

The local government in the Soviet system usually has no direct power over a factory. Nevertheless, because of their elevated positions, high-ranking officials do have a say even over organizations not within their jurisdiction. After all, they are closely connected with the Party[20] and through them with the police. They know the regional officers as well as other important figures like the local prosecutor and judges. All are linked by being senior Party members. It is because of this that Mayors* and Deputy-Majors[21] are in a position, literally, to choose their protectees. An informant, who used to be a chauffeur to a small town's mayor - and therefore occupied the classical 'gatekeeper' position - knew a good deal of what was going on unofficially. He told me:

"The Mayor would not take money from anyone. He couldn't do it for two reasons: First, it was too dangerous - everyone knew him and everyone watched his movements; even to buy some unlicenced imported clothes for his wife and children he had to have a go-between. Secondly, his honour demanded that he wouldn't take unselectively. After all, he couldn't be committed to anyone. So he used regularly to take hard cash only from four people in the town: the top men in the two largest factories (each employing a few thousand employees), the head of the largest regional Kolkhoz (who needs the local municipality's permit to market unsolicited goods) and the head of the local commerce department. This is not to imply that he would refuse occasional gifts from other sources."

* Chairmen of the Executive Committee in Soviet Terminology.

(d) The Police

While it is advisable to get the consent of the parties discussed so far, prior to launching any illicit venture, it will be practically impossible to proceed and market the illegal goods without being assured of backing from the local police. The trouble-shooting function of the police force lies in three main areas:

- in controlling the roads; they can literally block distribution, since any delivery must be accompanied by detailed papers (Faktura), discussed earlier. Any irregularity over a Faktura can easily be presented as a criminal economic offence.

- in fighting corruption, especially via the 'economic police' - OBKhSS, whose locally responsible officer will be affiliated to at least a regional police headquarters. It is the task of the OBKhSS to be aware of what is 'really' going on in their district, and job holders are remunerated accordingly.

- in dealing with citizen complaints. Anyone can approach any police station and issue a complaint which, if registered, has to be dealt with. While most complaints are against goods bought in shops, once such an investigation starts it can easily extend and perhaps incriminate the goods manufacturer.

The police force are the major recipients of 'salaries', both in the number of people involved and in the sums of money paid. Even the typical small factory list would be likely to consist of the area police, the OBKhSS officer, and possibly someone on the road patrol force.

In the case of the biscuit factory, which was an important employer in the town, there were usually four on the regular pay list: the head of the town's police force, his deputy, an OBKhSS official and his aid.

(e) The Komsomol

The Communist Youth are the champions of Soviet ideology: they are indoctrinated from early adolescence and those who prove dedicated to the cause will eventually rise to Party membership.

In the meantime, they cultivate the right and uproot the wrong. One of the wrongs they are often concerned with is the flourishing second economy.

It was found, in several accounts, that the Communist Youth are often used by the police or similar functionaries as bait to help incriminate illicit enterprises, probably because youngsters are less suspicious than adults and perhaps also because they are an available and motivated corps (see Account II, Chapter 8, Crisis Events).

As members of the Komsomol are good at detecting illegality, they may be just as good at making a profit out of it. This is what happened in the case of the biscuit factory:

> "One day the person in charge of the local Komsomol comes into my office and introduces himself. He tells me that one of his scouts bought a box of chocolate biscuits and found they were lacking in weight. He then contacted the local bureau of commerce and got their clearance to come and inquire at the factory.
>
> "I explained to him how this sort of thing may happen. Firstly, the standard allows for some variation in weight, secondly it may be due to machine error. The important thing, however, is that the average of a production line will come out right. And that was the absolute truth.[22]
>
> "He thanked me for my explanation but the following day he returned with three officials from the local government. They asked me to explain to them the failure in weight and so I did. Only this time with some anger and impatience, pointing out that this person is wasting my time and that he already was explained to once. I said that I considerd it an insult to be approached in such a manner. They accepted my replies and apologized. Before they left, I called the Komsomol chief to a corner and

said to him: 'I wonder about you. You really should have done better' I sneered at him. 'You really thought you could stop the factory? Do you realize how many people's income is dependent on this factory? It you wanted a little share, you should have said so - but now, what have you got? you got nothing.'

"However, this was not the end of the story. Some two weeks later, the gatekeeper called me and said the Komsomol chief is at the gate. I went out to him and he said: 'I was passing by and just thought perhaps I can get some fresh cookies to take home . . .'

"So I went to the stockroom and prepared him a nice parcel with a lot of goodies, including a nice portion of butter and gave it to him. 'Take this today and come again next month and you'll get some money.' And so he did. Regularly."

(f) The Gatekeeper

The gatekeeper is a special breed of functionary. Officially he is not employed by the factory and is therefore an outside agent. He is in principle like the other outsiders who can affect the factory's working. The distinctive characteristic of this role lies in its lack of power. Nevertheless a gatekeeper can be potentially powerful (or potentially dangerous) to whoever wishes to pass through the gates unnoticed.

The gatekeeper is a civilian who is appointed, and in the employ of the police. His duties include monitoring the movement in and out of the factory during the working day, and after working hours to secure the building and equipment from break-ins. This is a round the clock job, normally occupied by two or more (usually by three) persons working in shifts. It is interesting to note that in the last ten years of the illicit biscuit factory only one of these positions passed to another - which indicates how much careful consideration is given to choosing the right person. Thus, one of the gatekeeper's wives was a production line employee in the factory - in this way he had a high vested interest and hence a strong commitment to his unofficial employers.

5.3 Size and Informal Structure

Having obtained systematic evidence from only three production units, it is hard to draw firm generalized principles about the informal structure of an illicit enterprise. My data however suggests that the biscuit factory, being a medium-sized enterprise, involves the maximum spread of regularly paid officials. This, it would appear, is because the biscuit factory was not big enough, and therefore, not powerful enough to operate without adequate external protection, while on the other hand it was not small enough to escape the attention of relatively low-level external functionaries, able to be useful on the one hand or difficult on the other. In other words, the biscuit factory was an ideal target for external exploitation. Both internal partners and external officials could both gain considerably - yet no party could gain excessively. Each internal partner's net gain of approximately 1,000 Rubles a month equalled the factory's total expenditure on bribery. So that of the total illicit earnings of 4,000 Rubles a month, 25% was necessarily expended as bribes. Any excess of this would not be worth paying in view of the limited overall size of the takings and the payment of less would involve excessive risk.

On the other hand things were different in the textile factory case. According to several sources, the general manager "held the town in his fist and was afraid of nobody." Having a thousand man enterprise and being one of three major employers in the town he held considerable formal power in aspects of the town's affairs that extended well beyond the limits of the factory. "He would actually nominate the mayor" explained one source. Friedgut (1974) has the following to say on Kutaisi's Truck Factory Director - Georgia's second largest and that city's biggest employer: "(He) is perhaps the city's foremost elite personality, for he is connected with everybody of any importance locally, and many nationally. He is a member of the executive committee of the Soviet and of the gorkcom,[23] a deputy to the supreme Soviet of Georgia and a candidate member of the Central Committee of the Communist Party of Georgia, and has served as a delegate to the Georgian Party Congress and the 24th Congress of the CPSU. The breadth of his activity overshadows even that of the city's first secretary" (p.270).

Such a person would not be expected to pay the wide range of local salaries to lower level officials (see following) - to the lower levels of the police force for instance, or the Komsomol chief who are too socially distant from so important a figure. He - and hence his enterprise are too powerful to come under such local pressures. Nonetheless illicit salaries do have to be paid but they are paid to fewer but higher level officials - and each receives a greater amount than in the case of the biscuit factory. Thus, for instance, while the Mayor of the biscuit factory district would receive only occasional presents, the Mayor of the textile factory was on the regular 'payroll'. Though we lack the richness of detail that is available for the biscuit factory, I do know that overall bribery payments though considerably higher in absolute terms - were much less than the 25% of overall payments paid out by the biscuit factory's management.

The management of an enterprise of this calibre is therefore, in a position to gain considerably by illicit operations. By all accounts the textile factory management were known to be very rich: "he was the King of the Town" it was said of the General Manager. It would appear that the textile factory's operations permitted a greater share of illicit profits to be retained and though this had to be distributed to a greater number of partners it nonetheless offered them high level of disposable income.

The light metal factory was too small and too insignificant to be bothered by even local level authorities. Its illicit scope of activities was both limited and sporadic. Most work was solicited by close friends and family members and the secrecy of the operations was considered paramount. There was therefore no need for permanent figures on the 'payroll' and definitely no prominent ones. After five years of operation the workshop changed ownership, and it is significant that the replaced central figure took up a position as a van driver: he realized that previously he had aimed too high (see Chapters 8 and 9 in this respect). When operating in the second economy small is not too beautiful.

An increase in the scale of illicit operations would appear to bring in diseconomies as numerous local level officials necessarily become involved. When the level of illicit products transcends this locally set limitation, the illicit factory appears able to enjoy the benefits of scale by buying its protection at a higher absolute price but at a lower unit cost.

6. THE RULES IN BRIBERY

So far it has been seen that for a factory (ie. the biscuit factory) to operate illicitly, or to take an extremist view, for it to operate at all,[24] different office holders have to be remunerated. It is the purpose of this section to discuss the various 'rules' that shape these remunerations.

There are four sets of questions to be answered:

- What is exchanged?
- What does the factory gain that necessitates a reward?
- What is the form of payment?
- What is known about the flow of the payment? When and how is it paid?
- What is the price and how is it fixed?

6.1 What is Exchanged

In this particular case we have considered the roles of four parties external to the factory who each have a say in its illicit operations. These are the PLAN quota official, the local government, the local police and the Komsomol. The first two, including the head of the factory group to which the factory management is formally accountable, have a say in the formal running of the factory. They in effect license the operators to do their job (this includes professional and administrative supervision). In a similar way, they assist in the informal running of the factory - the PLAN official by reducing the production targets or allowing extra waste; the head of Obyedineniya, by authorizing the personnel, the Mayor and local government officials by 'turning a blind eye' to the movement of goods to shops. In a real sense they therefore 'licence' the factory's informal operations and therefore I call the payments for these services <u>Licensing Fees</u>.

On the other hand, the police (and Komsomol) have no connection with the formal enterprise. Their job lies in the prevention and detection of crime, and their services are required for two purposes:

- To ensure that they do not inquire into the affairs of the enterprise and do not detect any deviations from regulations

- In case of detection, either by their own people or by others outside the organizations (eg. customers' complaints) - to function as official defences against incrimination.

This is why they are paid and I term their receipts Hush Money.

6.2 Forms of Payment

It might be useful to differentiate between a strictly cash payment and other rewards. The latter will usually be a gift, which has a monetary value, but which is also embedded in Georgian culture. Thus, after a first meeting, it is customary to give a departing guest a present, which symbolizes two things:

(a) that the person is respected and honoured

(b) that the first meeting is hoped to be an opening for good relations and similar occasions in the future: 'untying the foot'[25] is the Georgian expression.

To clarify the point consider the following incident which occurred during my field-study. The head of the town's shop licensing department told me:

> "I entered a grocery which had recently been taken over by two new Georgian owners: they applied for a license and, as a matter of routine, I came to have a look at the applicants and the premises. While browsing through the shelves, I carefully observed the scotchs on display, being a lover of Whisky, and the two partners noticed this. I was then asked if I drank Whisky and I confirmed that I did. We went on discussing and comparing different brands and the next thing was that on leaving, two bottles were placed in my car . . ."

In all of the three factories this kind of gift giving was normal practice. Whenever important officials came to a factory, they would normally be invited to a nearby restaurant where behind closed doors ("it is no good to be seen in public") a short feast would take place, led by the factory's 'foreign minister' - the one most socially skilled who could thereby make maximum use of his relevant skills. And finally on their departure they would leave with a nice package of the factory's produce offered with the best regards of the management.

The Mayor and his deputy who had no direct hand in the biscuit factory, were still considered influential enough to be offered periodic feasts and were approached in a similar manner.

> "The Mayor would not normally take bribes from factories like ours. He would do so only if there was a special reason, like a crisis which required protection from prosecution. But they would love to receive a nice cake, especially prepared for them, on celebrative occasions, so that they could show it around."

The biscuit factory's shop-floor workers, for very different reasons would also, normally, receive a non-cash reward of extra produce.

> "We didn't want to give them cash, because this is clearly an offence and why bother? . . . Today we are friends - tomorrow perhaps you go to the police and complain. So we preferred to give them gifts, like: sugar, flour, butter or eggs - this is not too committing yet these are a real perk. They were perhaps not extremely happy with what they got, but they would make their calculations and see that they were still better off than most of their colleagues in other plants."

It should be noted that the 'payment' and consequently involvement of shop-floor workers in the racket is not usually necessary. Especially where the primary fiddle includes cheating on the quality or quantity, the shop-floor workers would have no idea of what the real quality or quantity should be. Although the biscuit factory employed a different method for obtaining raw materials, its employees did not necessarily know what was going on because the proportion of extra produce was rather modest. Their share in profits was therefore an extra safe-

guard, characteristic of the way the biscuit factory handled its illicit operation.

6.3 The Pay: How it is Fixed - When, Where and How it is Paid

As might be expected, the answers to the above questions are largely contingent, according to different criteria. The case of the biscuit factory is elaborated in Table 2.

(A) 'Salaries'

One fact which comes through very clearly in Table 2 is the quite formidable rate of pay in excess of their official salary, for each person involved. Of course, for some this would be only part of their 'total rewards' (Mars, 1982). The term 'salary' is the common jargon for these kinds of monthly payments and it is one of the characteristics of the producer in the Soviet economic system which differentiates him from the retailer.

In an economy of scarcity power lies with the producer. He can sell virtually anthing he produces. His only worry is that he might not be able to produce enough. By paying regular salaries the manufacturer therefore aims to ensure regular production. The storekeeper on the other hand pays out only ad hoc bribes since the nature of his throughput is in its turn ad hoc.

One benefit of the factory management's determined pressure for a continuous commitment is that it encourages a series of continuous ties which - when times are hard - allow an inbuilt flexibility. Both sides may benefit from such flexibilities in that credit may be extended - sometimes for several months to a regular customer.

It is known from retailers (whose businesses tend to fluctuate more than manufacturers) that long range credits have tended to take flexible account of seasonal variations.

Table 2: The Biscuit Factory Payments over a Period of 10 Years (average)

Position	Pay(annual)	Currency	When Paid	Powers	Risks
Head of OBYEDINENIYA	c. 3000 R (% of profits)	cash	periodically	As formal head of the enterprise he should be consulted in principal matters of production targets, manning, construction plans, general performance, etc.	Bears formal responsibilty as he is expected to know the ins and outs of the enterprise
PLAN official	2000-3000 R	cash	annually, on the occasion of setting annual goals	exclusive powers to set goals, criteria, accept deviations etc.	only if there is wide discrepancy with similar plants
Mayor* (vice)**	special produce		on festive occasions: holidays, birthdays, parties, conferences; whenever asked or voluntarily	no direct bond but influential in wide circles; also good being considered a protege of	none, no direct involvement, unless in crisis - when price is negotiated
Police: Head	c. 2000 R	cash	monthly	in charge of road patrols; superior to OBKhSS (economic police) can stop consumer complaints	only in the sense he is the local senior officer and in charge of local affairs
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/Continued ...

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/Continued ...

Position	Pay(annual)	Currency	When Paid	Powers	Risks
Police: OBKhSS	c. 1500 R	cash	monthly	investigate economic corruption	none - if does not initiate; some - if there are complaints or there is much evidence
Police: officer deals with general investigations, occasionally aid to OBKhSS	c. 1000 R	cash	monthly	has some local power as is responsible for the Factory's area	none - if he is sole channel for information and in particular if his superiors are on the payroll
Komsomol chief (secretary of the town's Komsomol committee)	c. 1500 R	cash	monthly	push consumers complaints; encourage checks on produce	none - since he is paid to avoid voluntary activities
Gatekeeper (two posts)	c. 500-700 R	cash	monthly	in theory - to prevent movement of illicit goods; in practice - he has much knowledge on the actual running of the factory	his job is to prevent theft: he is expected to check the movement of goods and record them. Therefore in real danger if illicit transaction exposed
Employees	raw-materials: butter, sugar, flour, eggs, etc.		several times a year: on holidays or on the occasion of meeting produce goals	only in causing harm, ie: by informing on illicit activity	none

(B) Powers

Powers, as already discussed, may be either obstructive; preventing access to illicit business (the 'licensing' agencies) or reactive; exercising punitive powers for breaking the law (the policing bodies). The factory partners recognised that control over both types was crucial to the smooth running of a manufacturing enterprise. But this did not mean that both kinds of power-holders were treated in the same manner.

The PLAN officials, for instance, were approached with much care. Not only had they exclusive powers over formal production demands, but in addition they were also remote. The annual pilgrimage to Tbilisi was always a worrying event, involving considerable uncertainty about its outcome (except, of course for the fee). The other parties, who were local, were much more predictable and also more subject to pressure. In a sense, all local bodies - the municipality, the police and the Komsomol shared similar interests: "they shared from the same plate", was an expression often used to describe their mutual interests.

Because the biscuit factory's management was embedded in a whole series of local bribery payments, the factory's continued wellbeing was of permanent concern to a wide range of local interests. It was to this fact that the Komsomol chief was referred when trying to blackmail its management. "Do you realize how many people's living is dependent on this factory?" This very fact gave the enterprise a kind of security - local interests worked as a stabilizer, thus allaying any fears the management might have had about a steady flow of produce.

Power is strongly associated with the illicit pay it can attract and hence the employees were in a poor bargaining position. Their only power lay in trying to inform on the factory management. This would give them little more than the pleasure of revenge and definitely the sack. However, one should not underestimate the dangers, especially within the context of an 'honour and shame' society. To be a man implies that one might well feel bound to challenge another even without hope of winning if one's honour is felt to be at stake. (See Accounts III and IV in Chapter 8 regarding this matter - also, Chapter 4, paragraph 6 on Risk-Taking).

The biscuit factory was therefore most anxious to keep its staff happy. As one informant put it: "They were perhaps not extremely happy with what they got, but they would make their calculations and see that they are still better off than most of their colleagues in other plants."

(C) Risks

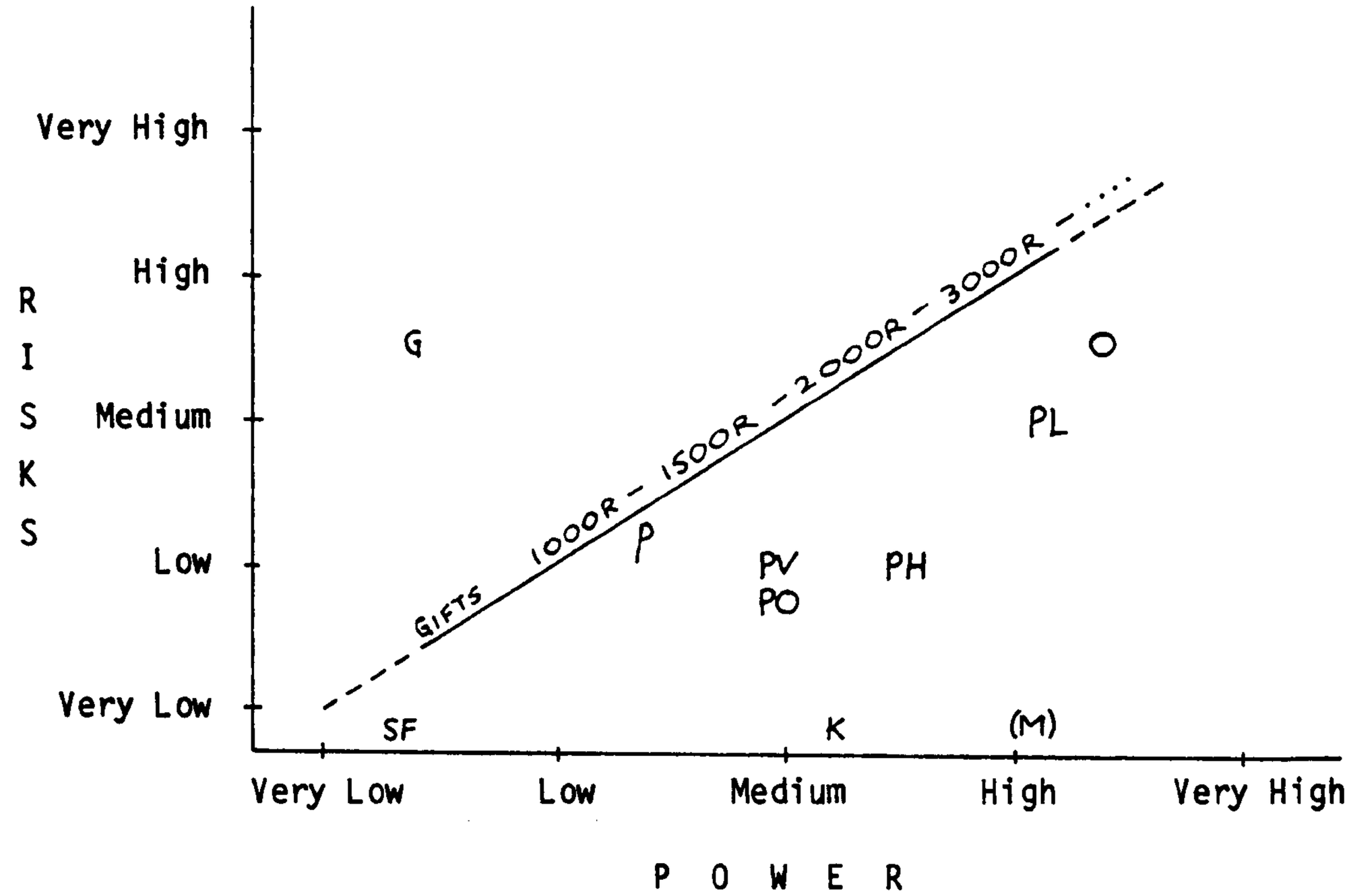
Risks are expected to be paid for but are independent of the state of one's powers. The most clear example, in our case, is that of the gatekeeper who took considerable risks. If a factory is subject to an investigation with the intention of incriminating its management, the gatekeepers are unlikely to escape with impunity. It is their task to prevent all thefts and in monitoring the movement of goods they are easily implicated by their handling of log books.

From a recipient's view the best position to be in is one receiving high bribes and involving no risks. A good example is that of the Komsomol chief who ordered his troops on voluntary missions to cast out the evils of society thus enabling him to choose his prey from a secure position. Provided he was not too greedy (which would turn potential clients and their local patrons against him) and provided he did not blackmail all exposed cases (he could then show results to his superiors) he was able to secure a good bargaining position.

6.4 Powers, Risks and Pay

The relation of Powers and Risks to the rate of pay they can attract as evidenced in the biscuit factory are presented in Figure 3.

Figure 3: The Biscuit Factory's Payees, their Associated Powers and Risks - as related to the Average Pay this Position Attracted over 10 Years



Key:

SF = Shop-floor workers
G = Gatekeepers
K = Komsomol
M = Mayor
PH = Police Head
PV = Police Vice
PO = Police OBKhSS
p = Police Officer
PL = PLAN Official
O = Head of OBYEDINENIYA

As it shows, both Powers and Risks appear independent of each other. Generally the higher of the two dictates the rate of pay. Thus, the Komsomol chief seems to have very low risks in covering up for the biscuit factory but has considerable powers. His pay is then dictated by his powers. On the other hand, gatekeepers are low in power but bear quite considerable risks - hence their level of risks will set their rate of pay. This tends to be a rule that applies across a variety of corrupt occupations with the notable exception of the Mayor. The Mayor (and his deputy) are very powerful, yet do not receive cash. I believe this is so for several reasons:

(a) They have no direct link with the factory.

(b) They can choose to take money from a wide range of enterprises and since the taking of bribes involves a two-way relationship these very senior officials tend to be selective. (See further in Chapter 7 on The Store).

(c) It could well be that the Mayor and his deputy, by virtue of their positions, do not need cash. Their rewards are the benefits of privileged access to scare resources that are outside the cash nexus. Their real rewards appear to lie in getting the extra personal services and recognitions which money cannot buy. Having a unique shaped cake in a public celebration is more beneficial than a handful of Rubles in an economy where currency can buy little for the better-off citizens.

The extrapolations of Figure 3 suggest that at the lower end, positions which are very low in both power and risk are in the unfortunate state of 'have nots'. They are unable to earn any extra rewards - that is if they choose to work in the manufacturing industries. The shop-floor workers of the biscuit factory were lucky in having some power as they could in principle, identify the fiddles (as the managers feared). But if the main system of cheating had been different - namely cheating on the quality or quantity - they would tend to have been rewarded only with their official pay (as was the case with the textile factory). On the other hand, when either powers or risks

become high - as when a crisis occurs and immediate action is necessary even a small-scale position can momentarily offer enormous rewards (see in particular Account III in Chapter 8 for a detailed presentation).

6.5 Personal Bargaining

A final factor affecting pay must now be considered - personal bargaining power. While looking at Table 2 and Figure 3, some close association between a postion's power and the pay it attracts, can be established; this does not necessarily maintain a direct correlation. As one informant put it: "There are small ones who are real bastards, who blackmail you and insist on getting more than they deserve; while there are big ones who are more lenient than expected from their position."

This is not reflected in Table 2 or Figure 3 as these give the average figure of pay over a period of ten years, but I understand from both the biscuit factory and other sources that personal variance was paramount.

In one example from the history of the biscuit factory, the OBKhSS police official refused any 'salary'. This was not because he disliked bribery, but because he was scared. The biscuit factory partners, who were so cautious in their ways, felt very disturbed that this key figure could not be corrupted and their concern was shared by other recipients. Finally, a way was found to pay the OBKhSS man through the area police officer. Thus a modus vivendi was established with both parties reasonably satisfied: the partners got a binding commitment and the OBKhSS did not receive a direct bribe.

On another occasion one of the factory gatekeepers 'tried to be too smart' and insisted on receiving extra payments for each illicit transaction in addition to his monthly 'salary'. He had ultimately to be ousted from the job, as his greediness was not only out of all proportion to the usual rate of pay but was inappropriate as a method of pay in production. Ad hoc payments as opposed to salaries are the appropriate means of bribery at the retail level (see Chapter 7, The Store). Because factory production work is a regular activity, ad hoc

payments are not appropriate. 'Salaries' ensure the long-term commitment of recipients which is essential for the continuous flow of production.

Bearing in mind individual differences, prices seem to have remained stable over the years (due to minimal inflation in the 60's and early 70's) and from place to place. Since interests were looked at as long-range commitments, the important factor for a recipient was to be on the payroll, while from the payer's position the importance lay in ensuring protection. The security of continuous mutual benefits stabilized the pay rate. Where bargaining is rigorous as in crisis events, especially when there are no established relations and no ongoing commitments, things are of course different.

CHAPTER 6

1. 'Pulling Strings'.

2. It is no coincidence that the three partners were all of the same age-group, since they were not only partners but good friends as well. This contingency between age and business relations is reflected in previous discussions of Georgian core values and of the role of the feast in Georgian social life. Age-based peer groups are the basis of Georgia's social (and therefore also occupational) structures.

3. Alternatives A and B correspond partly to what Berliner (1957, Chapter 10) labels 'falsification of reporting'. The crucial difference, however is in the fact that the means serve very different ends. While Berliner's informants aimed at facilitating the fulfilment of their Plan targets, my informants aimed at achieving extra capacity for surplus production.

4. The picture is more complicated. There are in addition other sound structural reasons which also dictated the choice of the biscuit factory. They will be highlighted later on when I explain the structure of the factory.

5. Many products have several (usually 2 or 3) types of quality, which are taken advantage of by producers as well as retailers. For a fuller account see Chapter 7 on The Store.

6. Levi denotes 'left' - A Russian nickname for informal activity as opposed to 'right', the formal economic activity.

7. The rate varies in different industries between 10-20% cheaper than the official price.

8. One of the major worries of a retailer when selling at a higher than permitted price, is that he is vulnerable to citizen complaints, police raids or even blackmail (see Chapter 7).

9. There are three types of control (all of which involve stock checks). There is first the routine audits which occur on expected dates; second there are irregular checks instigated by local sources which are usually known about in advance and finally, and most feared of all, there are unscheduled swoops which are planned from outside the locality.

10. As it is almost universal practice in the Soviet Union, the biscuit factory was no exception in doctoring its accounts. The only difference being that it also had to account for the movement of illicit goods.

11. The very opposite of the well-known Soviet phenomenon of 'storming' - the tendency of plants to lag behind schedule at the beginning of a period - then speed up production when approaching the end of the designated Plan.

12. See Account II in Chapter 8.

13. It is no coincidence that most reports on road patrols are from shopkeepers rather than producers. The economic reality in the Soviet Union dictates that shopkeepers chase for goods, and hence will, frequently, take responsibility for deliveries. It is retailers, therefore, who are usually confronted by road patrols. However, if detected and prosecuted, the blame does not escape the supplier. Therefore any illegal manufacturer gives careful consideration to destination of his goods and attempts to supply adequate road protection.

14. The old Ruble was revalued by one-tenth in January 1961, but people were still expressing values in old Rubles even during the 70's.

15. For the method of calculating the value of network cores see Chapters 5 and 9.

16. It is common practice for individuals like footballers to gain extra income by being registered officially as a worker and thereby obtaining income without really doing any work. Teams frequently bid competitively for particularly desirable players in this way. (This will be further elaborated and discussed in Chapter 9 in the section on 'The Second Economy and Everyday Life').

17. One should realize that the powers of a Soviet Mayor are far-reaching. In a sense he is the head of his community in a wide range of aspects and he bears responsibility for the economic operations within his region (see for instance: Friedgut, 1974; Hough, 1969). He is referred to - in Russian - as 'Master of the City' (Khozain Goroda).

18. The formal requirement for qualifications created a thriving market in false documents for 'fixers' to facilitate entrance to institutions of higher education (see Chapter 9 - the section on 'The Second Economy and Everyday Life').

19. Close friends at the level of Megobarebi (see Chapters 4 and 5).

20. The 'elected representatives of the people' (the official name) are really 'selected representatives of the Party' as Zemtsov (1980) suggests.

21. "Why give money to the deputies - the deputy Mayor, the deputy Head of Police?" I once asked. "Wouldn't it be sufficient to give only to the head of the hierarchy?" "And what am I supposed to do when the head is on vaction?" came the decisive answer, "Perhaps close my business?!"

22. Indeed it was. As we have seen, the biscuit factory did not cheat on the quantity.

23. The Party's Town Committee.

24. Since expectations exist for rewards, whether or not the enterprise functions informally. As one of the biscuit factory managers put it: "You cannot afford to be innocent . . . you either pay or you are out of business. It's as simple as that." (Paragraph 5.2 in this Chapter).

25. The person's foot is considered 'tied', that is - prohibited to enter one's place until invited in, which symbolically unties it.

CHAPTER 7

THE STORE IN THE SECOND ECONOMY

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1. INTRODUCTION

1.1 Characteristics and Problems of Retail Trade in the Soviet Economic System

Since the Second World War (Goldman, 1965; Skurski, 1972) and particularly during the Brezhnev era (Shapiro, 1978) the Soviet consumer became increasingly choosy and critical in his appetite for sophisticated, good quality consumer goods. (What Goldman, 1963 has called the 'second development stage of marketing').

Yet, despite significant attempts to take greater account of consumer demands (Greer, 1973; Robin, 1978) the Soviet economic system is not geared to easily adapt to a 'consumer market'. There are several reasons for this:

- Soviet planning has traditionally placed emphasis on production rather than consumption. What Wiles (1962) has called 'the producer's primacy'. It is of course a very different process from that of the West.

- Whereas in the West there is an immediate feedback from the consumer to the producer, whose interest is directly affected as to whether the goods he has made are cleared or not - the Soviet way is very different. A direct effect of consumers on producers - and certainly on planners - is absent. Neither are accountable to the consumers who purchase the goods. And the latter can neither directly nor immediately influence decisions made on their behalf in a centralized command economy. This is bound to slow down any changes in planning or production.

- Putting aside the relations between consumers and planners/producers, a multi-level bureaucracy is bound to make mistakes when catering for consumers, as Goldman (1963) points out. Each level may only slightly deviate from the initial intention but the accumulated effect of a multiplicity of levels can be highly distorting. And this does not take into account problems of incorrect reporting, a common artifact at the producer's level (Nove, 1977; Berliner, 1959). It is a combination of these that brings about the often noted misalignment of the needs of consum-

ers on the one hand and concerns of planners and producers on the other.

- Distortion apart, a multi-level bureaucracy necessarily implies that feedback will take a long time to reach the different levels, influence decisions and allow for innovative changes to take place.[1]

- In such a system, which has also a bias to a 'scientific' approach to planning, the neglect of design which is not quantifiable, particularly affects consumer goods. And in a display conscious culture like Georgia, design becomes a principal determinant of consumer preference.

- This neglect of design in the concerns of central planning is further compounded by the distance directives travel from the centre to the provinces, which makes it even more difficult to cater for local tastes. The reforms of the 1960's allowed for increasing local autonomy in consumer decision making: Greer (1973) indicates that each republic has its own fashion designers. But this is only a relative amelioration.

- While in the large-scale mass-production of producer goods a centrally controlled economy can be efficient, it is not easily geared to cater for individual variants which also implies necessarily small scale produce. Again, in Georgia, where individualism is highly valued, personalized consumption is high: there is much emphasis on personal services - that is: having one's regular barber, tailor, hatter.

Given the above restraints in catering for consumer needs, it is not surprising that we should find a fertile ground for the development of illicit production and distribution. This can be more successfully geared to accommodate local taste, adapt to the rapid changes of fashions and respond to requirements for design and personal style.

With the removal of the planner's influence on production, as it occurs in Soviet Georgia's second economy, we find two factors permitting an increased influence of consumer choice. Firstly, that producers having a greater degree of local involvement can more readily cater to specific designs; and secondly, the storekeeper for his part is able to influence production by reflecting his customers' demands. In this way consumers preferences as these are mediated through the stores can influence production. While stores acquire a new standing in the (second) economy - closer to the position of their counterparts in Western economies.

1.2 The Four Stores

This chapter is based mainly on data collected from four stores which operated in Georgia during the 1960's and early 1970's. In some instances other shopkeepers were questioned.

Just as in the case of the factories, information was cross-checked for reliability and validity (see Chapter 2 on Methodology). This material was supplemented by many other informants - a diverse cross-section of the community: eg. manufacturers, distributors, artisans, peddlers, drivers, railway workers, and of course the consumers themselves.

In order not to break confidences entrusted to me and to ensure anonymity - names, intimate details and exact places have been omitted. Nevertheless, in all other respects the information is accurate.

The four stores were selected for the following reasons:

(a) Geographical location - The stores operated in three different areas of Georgia, the East, the West and the South-West.

(b) Town vs. Country - One was based in a village, another was situated in a busy market town, and the other two were in rural towns.

(c) Size - One was a general store with 25 employees and a turnover of 250,000 Rubles a month. Two stores had four employees each and an approximate turnover of 100,000 Rubles apiece. The fourth business was a one-man market stall (for which I have no details of turnover).

The four stores were vastly different in the way they organized their illegal activities and I will elaborate upon this later.

All stores sold consumer goods. The general store comprised the following departments: trikotazh (cotton lingerie), soft furnishings (fabrics sold by the measure), men and womens clothes, childrens clothes, shoes (including stockings), perfumery, fancy goods, household appliances, electrical appliances, construction materials and agricultural tools (this being a village store). Surprisingly enough it did not sell foodstuffs. I inquired why this was. "I had to fight for that" was the reply "I made it clear from the start that I wouldn't have any food in my store." Another shopkeeper remarked "I would rather lose the shop than cater for food." As a matter of fact none of the four shops dealt in foodstuffs. There were three valid reasons for refusing to have anything to do with food.

(a) The prospects for illegal earnings are limited - "How much can you over-charge for a loaf of bread?" was one comment. However, it might be quite another story in Georgia today now that food shortages are more common. My informant hailed from rural Georgia, where food was abundant due to the numerous, thriving freehold plots (which produce about half of the republic's [redacted] output).[2] The very poor derived additional income from home made baking (Papashvily, 1973), and self-produced wine and spirits were the pride of every household.

(b) Dealing in foodstuffs is less prestigious than other merchandise "You get messed up . . . it's dirty work" explained one retailer. (It is worth mentioning that in the 1960's most of the foods in rural Georgia were unpacked and distributed in bulk).

(c) Unless one caters for expensive tastes the chances of social spin-offs are virtually nil. "On the weekday, I would return from the allocation centre - my friends knew they would have first choice. They would come to my shop in the evening and pick-up the best." Thus the clothing retailer was not only able to make profits by selling to close (and therefore trusted) friends, but also benefited from being an 'influential' man who could supply scarce commodities and demonstrate his worthiness to the members of his personal support network.

The three other stores dealt mainly in clothes - these being the most desirable commodity to handle (see Section 6 in this chapter for a fuller explanation).

2. THE FIVE SINS OF A STOREKEEPER

X was the first person I decided to approach about his black market activities. He was a shopkeeper and I broached the subject warily: "I've heard that sometimes there are strange goings-on (**Kombinatsia**)[3] in Georgian shops. Have you ever come across any?" He seemed to find my cautious and uncertain approach amusing. He smiled and replied: "Sometimes! If you take the law and regulations by the word then you start breaking them the minute you open your door in the morning. Not to mention communist morals . . ." (the narrator was a Communist Party candidate) as a storekeeper I was a true sinner."

During my investigation into the affairs of Georgia's second economy I became familiar with five indictable 'sins' each of which is liable to grave consequences (if caught and sentenced). They can be divided into two categories: 'sins' against the State and 'sins' against the customer.

2.1 How the System Should Work

Before delving into muddy waters, a word about how the system operates formally. Officially goods should be purchased through legal channels, usually an Allocation Centre (which will be discussed in the next section) although in certain circumstances, eg. where the allocation centre is very remote and a major plant is considerably closer, direct access to the manufacturer is allowed.

A store would have a scheme (**Plan**) which states required annual gross income and monitors monthly accounts. The overall monthly balance is sub-divided into various categories, in order that departmental performance can be assessed. A Plan would usually be flexible enough to allow for seasonal variations or any other changes. However, the scheme operated on two false assumptions: it assumed that goods were bought and sold at the correct retail price and that the store only catered for a particular area.

In actual fact, only some of the goods were bought and sold at official prices. And a shop's clientele largely depended on its reputation for stocking a good flow of quality goods. Although the village store was supposedly catering solely for the village community and the

near vicinity, it became well-known and attracted custom from a much wider area than the planners anticipated. "It was common knowledge that anything you want, you first try us. It was said that one could even get bird's milk in my store." The store manager was proud of his reputation for meeting practically any of his customers' requirements.

2.2 Defrauding the State

(a) The First Sin - Trading with Unlicensed Goods

A store is licensed to trade only in certain items which are clearly defined. In order to incorporate some private enterprise, the shop-keeper introduces goods for which he does not have a licence. See the case of the market stallholder described in detail in Account II, Chapter 8. He was licensed to trade in only thirty-four items but had two hundred and forty in stock when his stall was raided. Not only were these goods unlicensed and therefore acquired illegally but some had also been unofficially manufactured.

It is a common practice for clothing manufacturers to design garments that imitate foreign designs specifically for the private market (at the time Western jeans were being widely manufactured underground). Needless to say these privately manufactured clothes competed with official clothes and netted a big slice of the market. It appears that sales for official clothes are rapidly declining. A report in 1978 stated that Soviet 'official' clothing and footwear had to be marked-down to less than half price and had caused losses amounting to more than 1,700 million Rubles. (Binyon, M. The Times, 16.5.80). I have not been able to obtain any figures peculiar to Georgia, but I would not be surprised if its share in this exceeds the national average.

b) The Second Sin - 'Swinging' the Plan

Since the Plan is calculated on total sales and not broken down into individual items it can be 'worked' in more than one way. A store-keeper explained: "Firstly, if you charge more for certain items than you should and hence obtain a private gain, you can always pass some of it to the official books. Or if you ever sell things which have nothing to do with your particular business you can still claim some

of it or all of it to be items X, Y, Z. Money is money and no one can know where it comes from. But you've got to be careful to have your pockets filled with cash, so that when a sudden control comes and your books are not balanced, you can show the cash and say: "I just happen to hold all the morning's income with me. We were so busy I had no time to register it."

In other words, one can sell unauthorized goods and 'wangle' the Plan simply by 'swinging' the official Allocation of Goods (this will be discussed later). That is, getting hold of desirable commodities - selling them at a profit and then striking a balance by filtering a proportion through to the State. In this way, an authorized clothes shop can rise to be an exclusive sportswear store. This was the achievement of one of my informants. It is ironical that goods sold on the black market can eventually end up as 'official' profits. Some of it would trickle back in the form of a bonus for exceeding the Plan - if this was the desired effect. In this way ". . . everyone was happy. I always fulfilled and usually slightly over-fulfilled my targets.[4] I was considered a successful manager; my career prospects looked rosy and my boss was delighted. He also benefited from having such a good subordinate." (Greer, 1973, mentions several cases - quoting the Soviet press - in which awards for overfulfilling the Plan were won by enterprises using apparently the same method).

On the surface these 'rackets' might appear relatively easy but this is certainly not the case. Regular check-ups are carried out: every three to six months there is a stocktake and from time to time supposedly 'surprise' swoops (advance warning is usually given). Every item in stock is specified in minute detail. One of my informants recounted an incident where an official failed to find a specific needle. This was a genuine case of lost stock and had nothing at all to do with subversive activities (needles are too trivial). However, a 'black mark' was put on the manager's personal file together with a sarcastic remark saying that the official could not understand how a store that can't produce a needle manages to effect such a good sales turn-over.

This then is the second offence committed by retailers. By 'working' the Plan to their own advantage they subvert official strategy and yet to all intents and purposes they are hardworking upholders of Soviet policy.

Above all, this state of affairs magnifies the intricate interwoven dependency of the two economies: first and second - one mirrors the other.

2.3 Defrauding the Customer

(a) The Third Sin - Selective Sale

Selective sale is the key to successful trade for a second economy retailer. The reason being that unselective access to goods might be disastrous. There are numerous examples of this and several are given in Chapter 8 (Accounts I, II, and IV and Section 2.1). The principle itself is well established in the formal economy. Soviet official trading does differentiate between higher and lower ranking customers to such an extent that there are 'special' shops for an elite circle.

The second economy retailer adopts this concept inasmuch as he selects: "the safest to sell to are family and close friends. Then to friends of friends" explained an informant. It is in this respect that the network comes in as a selection criterion. And one measure of how good a network is depends upon how many scarce commodities it has to offer its members.

(b) The Fourth Sin - Falsifying Trade Descriptions

This is one of two ways in which the customer is swindled. It could be argued that the onus is on the customer to beware when hastily buying scarce goods. An informant explains how it works:

"Lets take an example - towels. There are three sorts of quality (many products have three sorts of quality). Each sort is recognized by its label.[5] Differences, especially between the first and second would sometimes be insignificant and difficult for an experienced person to notice. The easiest way to differentiate between the sorts of towels is by weight. Sort A should be

230 g, sort B - 195 g and sort C - 185 g. The difference in price between each classification would be 50-70 Kopeks and that is a lot of money, especially if you sell in considerable amounts.

"There would be enough work to occupy a person for days just taking off labels. From clothes this would be relatively easy, from china a special blend of acetone would be used and sometimes you can't help it. On certain items the details are imprinted, like cutlery, irons, mixers."

One of my informants once got a huge quantity of galoshes (rubber boots) to sell (discussed in Chapter 6) and which were in great demand as it was winter time, but his rate of sale was determined by the time needed to take off the identifying labels.

After taking off the labels the merchandise would be sold as a higher grade product. Usually it would be 'upgraded' one stage. An informant explains:

"We would specialize in cotton-wool, sold for 1.60 Rubles, 1.30 Rubles and 0.90 Rubles per unit. There were only slight differences between them and as it came loose it was difficult to distinguish. We would normally stock the third and second grades only and sell the third as second and the second as first quality."

(c) The Fifth Sin - Overcharging the Customer

Overcharging for selected goods is another common method of swindling the customer. Although in a way it is an unavoidable consequence of the second economy system. The retailer has to pay his superiors 'licensing fees' and protection ('hush') money.[6] He also has to make the manufacturer or middle-man an attractive offer for good quality and scarce commodities. Thus he 'rolls' the excess in price over to the customer. This is to be expected where a buyer has to chase for goods. The customer is the last link in the chain and therefore has to bear the costs.

Usually the customer is only too glad to have obtained the goods and therefore has no qualms about overpaying but this is not always the case - overcharging by stores is the most common of citizens complaints (see Chapter 8, section 2.1 for further details).

The practice of overcharging is more common in villages than in towns. The main reason being that stores in town have usually got direct access to manufacturers' who will sell them under-the-counter goods at cut prices[7] (see for example The Biscuit Factory, Chapter 6). Once goods have been obtained in this way there is no need to take any further risks as sale at the official price still yields a nice profit (in the case of The Biscuit Factory - 15%).

The village stores however are remote from industrial centres and in order to survive they have to opt for this method. Also, since they know their customers more intimately than the city stores they face less risk of complaints; it is in the customer's interests as well to keep their local store going. Otherwise, they will have to travel to the city and buy quality goods and it is always better to have 'your man' to approach when in need, even if it means regularly paying more than the going rate.

3. OBTAINING ILLICIT GOODS

There are basically two ways of obtaining illicit goods. Either directly from producers or through intermediary sources. Both methods will be described.

3.1 Obtaining Goods from Manufacturers

Both town stores had regular contacts with three to five manufacturers at a time. The factories were local or located a short distance from the town. Although in one case my informant used to travel regularly over 100 km to obtain particularly desirable merchandise. My informants would normally go once a month to collect goods which had been requested over the telephone or ordered the month before. Sometimes this would not be necessary - certain manufacturers preferred to send their representatives with samples (as is normal practice in the West). Representatives frequently called at the market where one of my informants ran a stall. Not only was it lucrative from the manufacturer's point of view (there were fifty-five shops and stalls in the market) but it was absolutely essential for my informant and some of his colleagues who ran their businesses single-handed. Unlike the other stores in my sample, where at least one member (usually the most senior one) would be mostly away from the premises chasing goods - this informant worked alone (with occasional assistance from various members of his family).[8]

The purchased goods were transported either by the retailers themselves or by the factory's official transport. This would be relatively easy since illicit goods cannot be distinguished from official merchandise as in the case of the Biscuit Factory (see Chapter 6, Section 3.1 about the Faktura).

When, however, the illicit produce is not the same, there seemed no point in chancing the use of official transport. Under these circumstances private cars or taxis would be used. The latter having the flexibility of short-notice availability and relative immunity from road patrols. After all a patrol would be really paranoid (or have been 'tipped-off') to search a passing taxi.

3.2 Obtaining Goods from Intermediary Sources

Similarly to illicit production, illicit distribution exploits the formal system - bending regulations to meet its needs and subjecting the centrally controlled bureaucracy to Georgian market forces.

Most goods are purchased, formally, at specially designated Allocation Centres (in Russian **Tsentral Bazi**). Goods are purchased not with money but with Bills of Allocation denoting only a general commodity (eg: footwear, textiles, perfumery) and total price. The bills are issued by the organization to whom the shop belongs and when it is transferred from the store representative to the allocation clerk (**Tovaroved**), it becomes a proof of purchase.

Since only a category and a total price are given, the content of the transaction is dependent upon the needs of the purchaser on the one hand - and availability on the other. And so they are indeed. Only that store's needs are determined by the (informal) potential of making a good profit and availability is largely dependent on the Tovaroved's good will, which is measured in purely monetary terms.

A retailer would come to the allocation centre with three aims in mind:

(a) To obtain everyday goods for the routine running of the store - accessible items which require no extra cash to obtain or sell them. However, he would not buy goods for which there was no market as this would necessitate unnecessary labour and space and spoil his achievement record (the Plan).

(b) Secondly, he would bring a list of 'orders' - not necessarily customary products but 'orders' from clients, friends, family for scarce products or unusual goods.

(c) Thirdly, a purchaser comes with the idea of laying his hands on anything worth having - ie. anything that can be sold at a high profit.

The allocation official has two aims in mind: to sell the unusual and quality goods at as high a price as possible and to get rid of the poor quality items and those not in demand, so that his Plan's (which includes sundry goods that must be disposed of) requirements are met. A customer who agrees to give extra cash will get the better products - consequently (since there is a zero total sum) somebody else will get the inferior goods. He is thus able to apply 'stick and carrot' pressure so that the person who bids higher for unusual products will also get ordinary goods 'free of charge'. An informant explained:

"I would get a periodic allocation to purchase a certain amount of goods (according to the Plan). Take for instance, clothes. They are, according to Soviet standards, divided into: cottons, wools, linen and synthetics. Now in each category I could purchase for an overall amount during the given period with contents and time of purchase at my discretion. So I would get say half a million Rubles allocation for cottons. And I might prefer to purchase with it only underwear because it sells well."

'But why should the Tovaroved agree?'

"Either because I do him a favour and accept some stuff no one wants, or because I make a deal with him on other matters - or simply because I pay him to allow me to choose the contents of my allocations."

The intermediary agent is indeed in a prime position. And since he deals with a closed circle of clients, who cannot risk losing him as a source of informal supply (unless he upsets somebody too much - see Account III in Chapter 8) - 'He is a King' - an expression often used to describe the holder of this position. One would therefore have to adopt a humble approach:

". . . there could be a negotiation on the extra price to be cashed, but very gently and with respect. Because if he gets furious with you - you get nothing. He has got another million clients besides you."

For the purchaser and his store he is a vital link. As this is essentially a sellers' market his capacity to survive depends upon his relations with the supply agent. The village store manager who had few contacts with producers would have to spend most of his time at the allocation centre:

> "Almost every day I used to go to . . . I knew I had nothing to do there - and still I would feel an urge to go."

On some occasions the allocation centre turned into a meeting place and more-or-less became a social club. These social gatherings were an arena for gossiping, exchanging information and a natural bargaining ground for business matters.

Similar to the allocation centre, there is a certain type of travelling broker - the **expeditor** who supplies to villagers unable to regularly attend the allocation centre; or to a one-man business where the proprietor is unable to leave his premises. He would take orders from the storekeepers and like his senior colleague - the Tovaroved - would be remunerated for any extra service or just for carrying out his regular duties. As with the Tovaroved, each transaction would be negotiated separately and paid for on an ad-hoc basis.

4. TRANSPORT

Soviet Georgian retailers are continually on the move. To be successful they must be prepared to endure long and difficult journeys, and unsociable working hours.

My informants used to go at least three to four times a year to Moscow, Leningrad, Kiev and the Asian Republics, to attend specially designated retailer markets where allocation allowances might be exchanged and where certain surplus produce could be obtained in excess of normal allowances. And they used to travel extensively inside Georgia to the principal trade centres of Tbilisi, Kutaisi, Sukhumi, Batumi, Samtredia, Akhaltsikhe, Gori, Tskhinvali and others. One informant visited half a dozen trade centres on alternate weeks - these were not regular liaison trips. Visits to the administrative headquarters occurred on average once a month.

Compare this with the Biscuit Factory example where the General Manager used to travel not more than four times a year to his regional administrative headquarters, while the Production Line Manager only attended professional conferences once in 2-3 years.

Long-distance travelling calls for a different mode of transport: travelling by car is long and tiring. For longer distances Georgians prefer the railways or air travel; and this allows one to gain an insight into their function in Soviet Georgia's second economy.

4.1 Rail Service

The information on rail transport is based on evidence derived from rail workers as well as that obtained from the four stores. In addition several contributions came from small traders - pedlars, artisans and others - who would not miss an opportunity of visiting the metropolis to conduct some business.

Let us take as an example a business trip from Georgia to Moscow and consider the various stages a passenger takes along his route. Our passenger is carrying two suitcases full of goods, eg. either exporting fruits or flowers from Georgia to RSFSR in the high season or importing some fine Finnish leather shoes or Czechoslovakian china.

(a) Obtaining Illegal Access: Two Alternatives

To begin with he has to have a reservation for the journey and his seat. This is not at all simple. At certain times (weekends) and seasons (Spring and Summer) it is difficult to obtain a reservation on direct trains. Not only because traffic is heavy but also because the railway workers 'cash in' on these peak travel periods. This is how the system operates as practised by a porter in a busy railway station.

Each station has a limited number of allocations for each train. So, from a given number of tickets (x), only (x-n) are available to the public. The n left would be sold unofficially, by the collaboration of cashiers and porters. The porter inspects the potential travellers and approaches those whose faces are familiar (that is, either people he knows personally - or who travel frequently on the route). With the consent of the passenger, he would purchase a ticket for him on the 'sold-out' journey. For that, he would charge the customer on average an extra 40%, from which two-thirds would be taken for himself and one third would go to the cashier.[9]

For a passenger who is carrying illegal goods, it is not enough to gain access to the desired train. He can try and 'insure' his cargo, and a good way of doing it is with the collaboration of a porter.

> "A trader would approach me" says my informant and say: 'I'd like to carry with me two cases with goods. Can you arrange it?' (the trader is wary of arousing police suspicion since they are ever-present in the station. In main stations the economic police (OBKhSS) are present as well). "I would then approach a policeman, normally the Head of the Force on the spot, and say: 'I'll give you three Rubles to put two suitcases on the train, OK?' He can refuse of course, and then nothing happens. If however he agrees I'll take 10 Rubles from the trader, give the police three Rubles and put the cases on the train."

There is an alternative method of illegally acquiring passage on a train by approaching the wagon steward. The steward would probably be more than happy to oblige since he could charge the traveller the full

price and sometimes more (overcharging is not necessarily direct but the tip is incorporated in the high price of the ticket). The steward would keep the entire sum unless a controller happens to check the wagon in which case he would have to give up half of the official price of the 'sold' ticket to him.

But how come there are vacant seats? A steward explains:

> "Say a train leaves Batumi to Sukhumi via Poti. On leaving Batumi the station would telegram Poti for the number of vacant seats in excess of the **BROM** (the designated seats on the train for each station) on this particular trip. The station receives the figures from the steward and he would tend to decrease the number of vacancies, so that the next station (Poti) will not sell as many tickets as it should." Thus extra capacity is created which becomes the possession of the wagon steward. If, however, there is no room left, the steward could always accommodate one or even two passengers in his personal cabin: ". . . and sometimes I would even put them in the passages."

The personal cabin would be an ideal place to hide goods as no controller would check there - this would merit a special tip.

A third possibility of gaining an illegal train ticket is by approaching the 'sold out' ticket office. This is the usual practice in air travel and will be discussed in the following section.

(b) Choice of Wagon[10]

There are four classes of travel - the deluxe grade is the **MEDGINAROD** which offers private compartments and accommodates only 16 passengers. The first class is called the **MIAKI** and also has private compartments - seating for 26 passengers. The second class, the **KUPEROVANI**, is available in four seater compartments usually accommodating 36 passengers. The third class - the **PLASKART** - which has no compartments carries about 58 passengers. The prices are fixed according to choice of travel. The lowest grade seat is charged at the basic rate - for the other classes one pays the basic rate plus a surcharge of 15%, 25%, 75% respectively. A typical long-distance train comprising of

fifteen wagons would take one Medginarod, two Miaki, five Kuperovani and seven Plaskart.

No one would dare to travel on the Medginarod as it is restricted to VIP's, and travelling on it would interfere with the non-salience principle of trade rules (Section 6 of this Chapter). After all - the last thing one wants on such a journey is to attract attention. One could travel on the Miaki if a satisfactory explanation for the purpose of the journey can be given. Consequently traders prefer the Kuperovani, which, with its closed cabins and fewer passengers, enables concealment of illegally transported goods.

(c) Additional Costs

Even when a seat on the train to Moscow has been secured there are still additional expenses to be considered. After all, a journey of 2-3 days, requires considerable contact with the steward: he provides the travellers with bedding, teas and other provisions for which a tip is customary. This would normally amount to about 10% of the price of the ticket (anything in the region of 1-3 Rubles).[9] On arrival and departure, the services of a porter are often required. This service, costs approximately 30 Kopeks officially and with tipping it would frequently, according to my information, amount to 1 Ruble.[9]

4.2 Air Travel

There is heavy air traffic between Georgia and other Soviet Republics as well as within Georgia. Four daily flights connect Tbilisi to Moscow, while Kutaisi and Tbilisi (the two largest cities) have an almost hourly service. Prices are very competitive: only slightly dearer than by rail (about a third more on the Tbilisi-Moscow line).[11]

(a) Air Transport Compared to Rail and Road Transport

Drawing an imaginary continuum of closed/open boundaries, we will have on the one extreme road transport - while at the other extreme we have air transport with rail travel somewhere in the middle.

Compared to road transport, the rail service has many more defined boundaries: main terminals, definite route and stations and a regulated system of transporting people and goods. While by road, the only 'closures' are road-patrols.

Air transport is even more restricting with only a few terminals and finite destinations and operation times. The space for manoeuvre regarding passengers and cargo is very limited compared with the rail service. To begin with, tickets are issued upon proof of identity and the number of travellers as well as the scope for cargo is quite definite. Consequently control is relatively easy and expected to be tight.

However, in spite of the restrictions, advantages are considerable. The main advantage, namely: the speeding communication and supply lines is a great asset when one considers the vast size of the Soviet Union. One of the store managers who quite often used air transport states:

> "One cannot imagine the saving of time and energy between taking a plane to using the rail. This could mean the difference between up to two working days - taking the distance from Tbilisi to Kutaisi (the two main cities in Georgia) - compared with an hour or so flight each way. For long distance travel the two are practically incomparable - I once went to Moscow and returned the very same day: a way which would take by train at least 4 full days."

(b) Gaining Illegal Access

An informant explains

> "I approach the cashier with my identity card, as is required by regulations and in it the official sum plus a 5 Ruble note.[9] He returns my personal documents with a ticket, less the money. Sometimes I have to add a Ruble or two or even more, and sometimes he would return me my money, signalling that he is sorry but there are no vacancies left. And he really doesn't have any. You count the people waiting to board the plane and see there are

indeed many around. Sold-out flights are very common especially to central destinations like Moscow.

"So your last hope is to have a word with the pilot. If you go between Kutaisi and Tbilisi you pay him 50% and more on top of the official price, and you try to convince him about the urgency of your cause and then he might give you a seat near his cabin, probably in place of one of the stewardesses - in which case she will get a share. Alternatively, he might allow you to stand all the time."

'And if the pilot doesn't cooperate?' I asked.

"Then you either return home or go to the rail station" was the reply.

5. THE ORGANIZATION OF THE INFORMAL STORE

The organization of informal activities in the four stores differed considerably in several important aspects:

(a) The 'real' power structure of the enterprise.

(b) The extent to which employees were involved in illegal activities.

(c) The seamy dealings with influential figures in the hierarchy and the way in which these individuals were 'paid-off'.

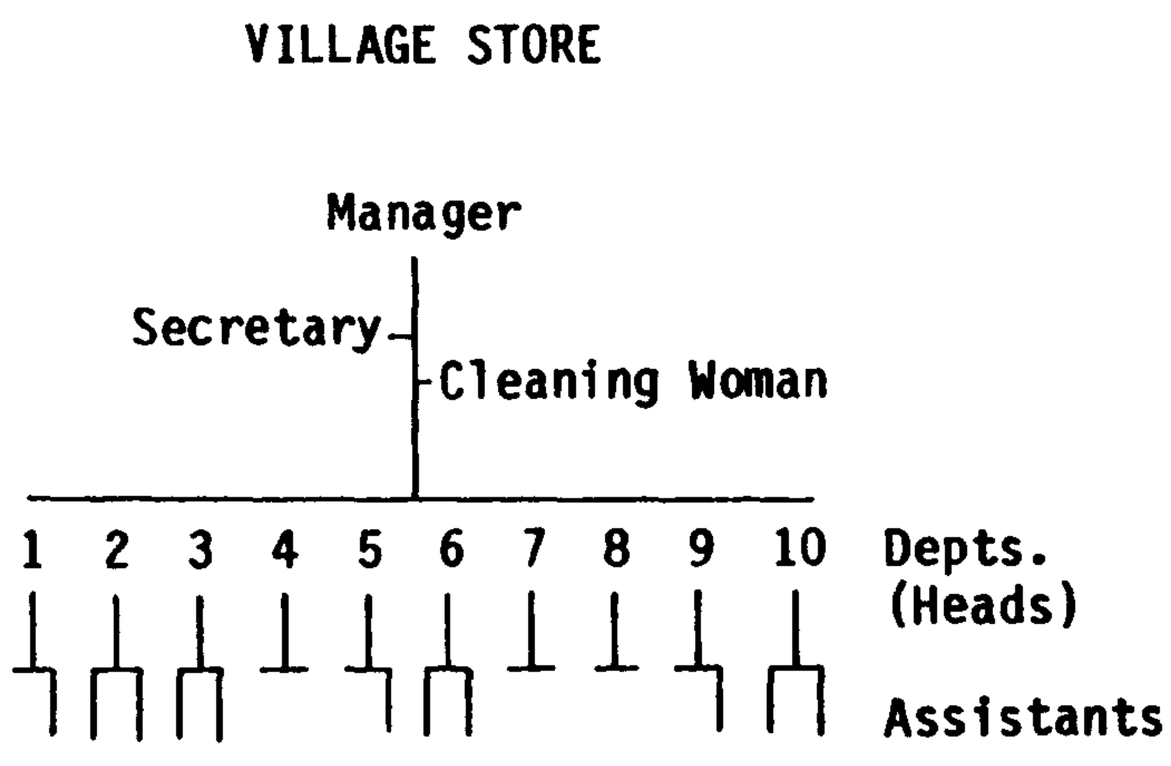
(d) The social and physical aspects of the informal organization.

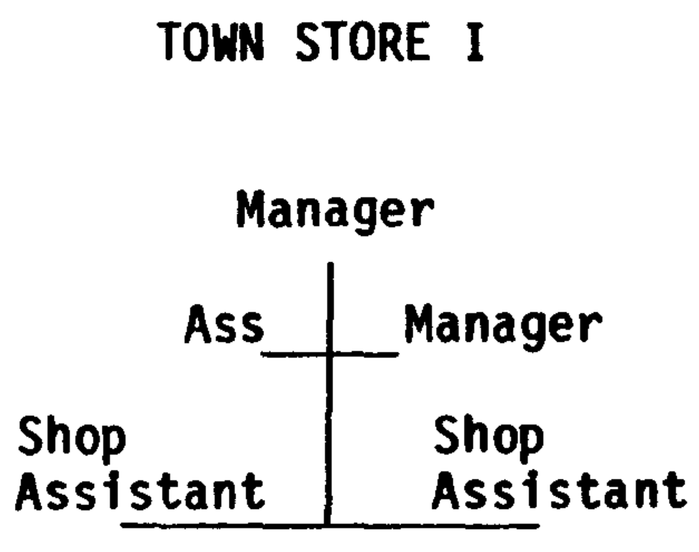
5.1 Three Types of Informal Structure

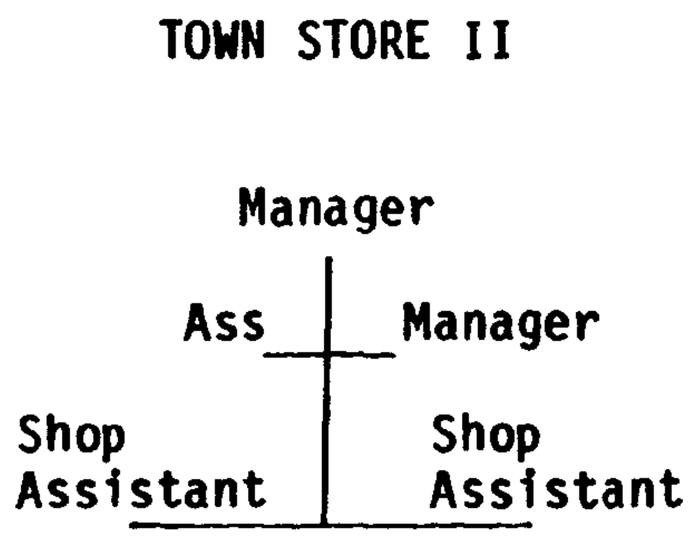
The four stores discussed in this chapter have different organizational structures - legal as well as illegal (see Figures 1 and 2). I will concentrate this section on managerial positions.

(a) Appointment

The village store manager was appointed by his superiors in the regional headquarters. Incidentally, this was a village general store. On the surface there seems to be nothing unusual about the selection process. But in reality things were different. Not only was he well-suited because of his formal qualifications (Diploma in Trade) and his experience as assistant manager, but he also satisfied the informal criteria on several bases. Firstly, it was thought he would be grateful to his superiors for advancing his career faster than usual, his gratitude expecting to yield extra returns. Secondly, and linked to that, his personal support network was mediocre. It was expected therefore, that he would have only a limited ability to develop local autonomy.[12] In addition, he hailed from the village and knew the local community intimately - he was therefore considered 'their man'[13] - very important in a local village setting where a profitable business is dependent upon local support. Needless to say, it was most desirable to have the residents implicit trust in order to avoid any trouble.







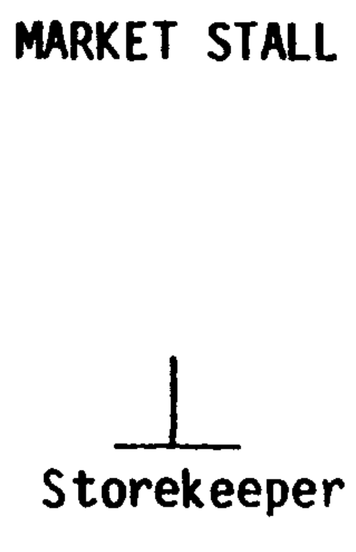
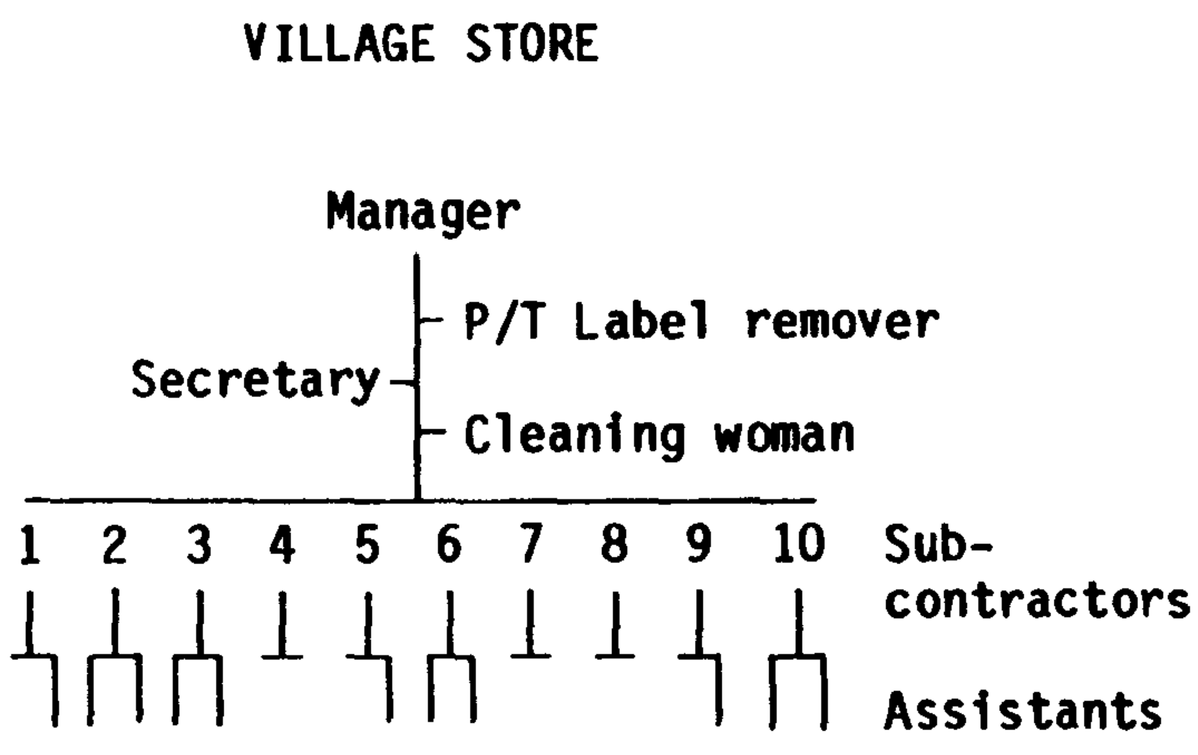
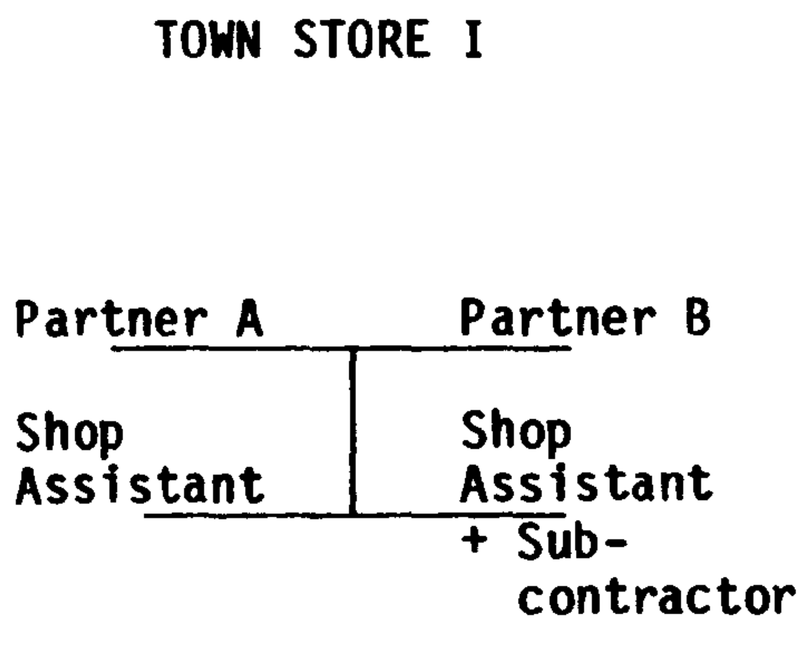
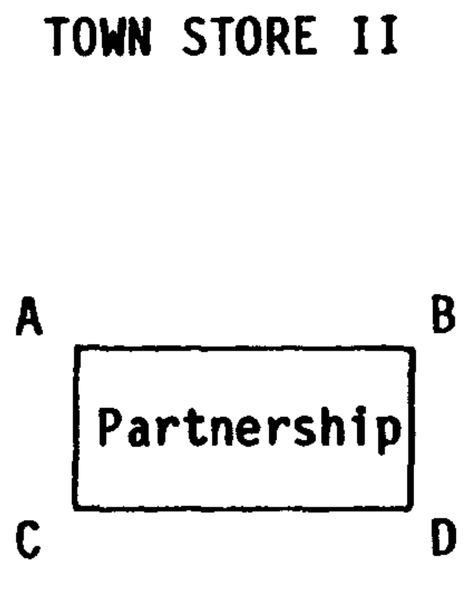


Figure 1: Formal Structure of the Four Stores







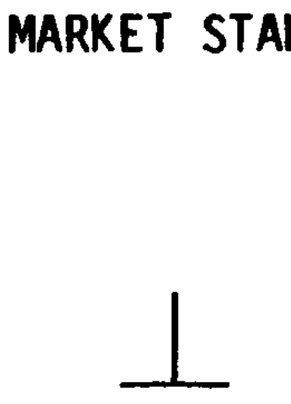


Figure 2: Informal Structure of the Four Stores

In a similar case to this village store manager, a person with a particularly weak network core was appointed to the powerful position of head of an import warehouse. This unofficial 'qualification' was considered paramount as in this way his superiors kept a tight grip on the reins and the potential power-base was not abused, at least not without them controlling the informal spin-offs.

Both cases are further examples of symbiotic-interactive bonds between the first and second economies in Soviet Georgia.

(b) Ownership

Three of the stores were in some respects, part-owned. This was most clearly marked with the market stallholder. There were three reasons: firstly, he moved into the trade from a different (though not unrelated) occupation - tailoring, while his counterparts had spent most (Town Store I) or all (Town Store II) of their professional lives in the trade and therefore gradually progressed to managerial positions which carried a share in the profits. Secondly, he had a particularly weak network core and as such was unable to obtain a nomination by virtue of social standing or 'friends of friends'. Thirdly, the illegal network of the town's market stores had succeeded in establishing its own 'law and customs', one of the customs being that stores could be bought and sold on a goodwill basis (see further details on this subject in Section 5.5). It was for these reasons then that this man acquired a stall by, simply, paying for it.

In 1965 he decided to move from the relatively secure services sector to the risky arena of trade (see Chapter 8, Section 2 for a detailed discussion). He was later to regret this move as his personal support network was not strong enough to sustain him in this endeavour; and if it had not been for his fellow market traders he would have been implicated in a major crisis (see Chapter 8, Account II).

The cost of the small store was 8,000 Rubles of which 6,000 went to the seller and 2,000 went to the local official in charge of the market and responsible, amongst other things, for shop allocations. Both the seller and the market official had the power to impose fees. The former had powers vested in him by the market's informal 'law and

customs' committee - after all it was in the interests of all stores in the market to assure an 'actual' sale as this reflected on the value of their own properties. The latter had official power and gave authorization to new occupiers for which he received 'licensing fees'.

(c) Partnership

Two of the four stores could be described as partnerships. Town Store II was a totally equal partnership in that it operated with equal shares of investments and profits. The four partners were closely connected: three were related and the fourth was a close friend considered to be one of the family.

Town Store I was also a partnership, but this applied only to two of the four members operating it. Their partnership was particularly interesting as they had established a clear division of labour between them. One was the buyer - he spent most of his time away from the store, chasing goods, liaising with factories, paying out bribes. The other was responsible for running the business ie. selling the merchandise. I knew the two personally and I felt they complemented each other extremely well. One was outgoing, determined, rather arrogant and always in a hurry. While the other was well-known in the community as a 'white chicken':[14] an introvert by nature - he showed great discretion, pondered a lot and appeared rather indecisive. Both felt they had a very good partnership.

5.2 The Employees' Place in the Informal Structure

Unlike production line workers, shop assistants are directly involved in the second economy. Even the most junior assistant had to help sell the goods and therefore had to be familiar with prices, grades of quality, and first and foremost; customers. They were thus closely implicated from recruitment and promotion to remuneration.

(a) Recruitment Selection of Employees

The village store manager 'inherited' most of his employees (they were already employed by the store when he was appointed). When, with time, the store grew larger and new people had to be recruited, he aimed to "select workers with a good background" as he put it. When I

requested that he enlarge upon this he said: "Somebody with a large and strong family, preferably who could be influential in times of need - to the worker as well as the store."

The same requirements applied to Town Store II. This was a newly created store run by two partners. They gradually expanded and employed another two staff. In choosing the right people for the job they looked not only for a solid familial background but also an injection of new blood - they specifically wanted a gentile. They hoped this would rejuvenate the store's outlook and open up new horizons as well as attract a wider circle of clientele (that is 'friends of friends' of the new employee). They decided to employ a girl who was appointed to the ladies department.

They similarly took advantage of the sex and age group structure of Georgian society when employing a fourth assistant. He was a cousin of one of the partners and a teenager (17 years old) when he joined. By attracting his peers he helped to expand the store still further.

(b) Involvement in the Second Economy

In both town stores the channel through which goods reached the stores was dominated by one person. Even in the village general store, all the intake of goods for its ten departments, was controlled by the manager. He would personally handle rare and expensive merchandise irrespective of which department it belonged to. Normally, however, he would sub-contract profitable goods to various departments (as shown in Figure 2 not all departments were given this privilege simply because not all of them handled consumer goods worth dealing in (see Section 6 of this chapter).

Things were different in the smaller stores. Members of staff were expected to serve all clients and therefore had to be entrusted with the lucrative commodities. This does not mean that employees were let in on all the secrets of the trade. For instance, the gentile girl working for Town Store I was not aware of any illegal activities with manufacturers. "Was it because she was female and not Jewish?" I enquired. My informant giggled, recalling how she couldn't understand why certain goods were not overpriced when they were in such high

demand. "But why don't you take more money when you can?" she asked. 'You won't believe me but I'm essentially an honest man' I used to reply. 'Of course she wasn't aware that I had already made a profit by getting the stuff cheaper from the factory. And there was no point in taking too high a risk."

The village store had an employee that to all intents and purposes did not exist (officially)! He was engaged as a remover of labels from merchandise - an important stage in the procedure of overcharging customers or falsifying the quality of goods or indeed both (the label indentifies amongst other things the grading of quality and price). According to my information, this person (a villager in his sixties) had regular work for at least one full working day per week. Thus he was a regular part-time employee of the informal store.

5.3 Regular and Irregular Expenses Incurred in Operating the Informal Store

Table 1 summarizes the regular 'salaries' paid out by the four stores. It would be usual practice to pay out two types of officials: one's organizational superiors and the local police. Compared with producers, the number of payees was smaller, their formal rankings were lower and so were their remunerations.

(a) The Regional Organization

In rural Georgia in the sixties and early seventies two large organizations incorporated most of retail stores: **Savachroba** (literally trade in Georgian) and **Tsentrussayooz Rykavshiri** (a combination of Georgian and Russian meaning: regional section of the central union).

The former was a Georgian-based organization with headquarters in Tbilisi which operated mainly in the towns and townlets. The two town stores in my sample were branches of Savachroba. The latter was an entirely Soviet organization with headquarters in Moscow, operating largely in villages - the village store was one of their subsidiaries. The market store was governed by the regional council.

The local representatives of these organizations had considerable autonomy in running their affairs: ie. recruiting and promoting personnel, expanding, merging or moving of stores, allocation of resources, setting-up and supervising the Plan, and specifying trade responsibilities (for instance, exemption from sales of foodstuffs). Due to these powers the regional senior officials (who usually supervised local stores) netted a large proportion of the stores' regular 'pay-outs'.

This was particularly the case in the village store where the manager owed his promotion to his superior. (But it is also a reflection of the size of the store and its anticipated illicit earnings). A characteristic of the stores' regular pay outs is that there would be an agreed sum to be paid monthly and it would tend to fluctuate according to trade. In most cases, it reflected how much the direct boss knew about what was going on. In the market, for instance, the official in charge of the market would spend several hours a day scrutinizing activities. Consequently he was able to tell from first hand experience how a store was doing - he even charged extra fees for giving his consent to take leave on High Holidays and Sabbath. In the other stores, however the director was largely dependent on the cooperation (or fear) of his store managers. "I would actually determine the illegal earnings of my boss" said one informant "in a sense, I was my boss's boss."

One of the town stores also used to bribe the regional book-keeper with small gifts: "Just in case. One might always mess up his books." But this seems to me to be a unique variant reflecting a particularly powerful personality or lack of skill in double book-keeping.

The market stall had an additional levy, namely paying the gatekeeper who was also the night-watchman. Although formally a marginal position it carried with it a good deal of knowhow and inside information which deserved appropriate remuneration. Since he was able to charge individual retailers (some with a weak social support network) his illicit intake was considerably higher compared with his counterparts in the Biscuit Factory.

TABLE 1: Regular Payments of the Four Stores (Annual)

Institutional Affiliation	Village Store	Town Store I	Town Store II	Market Stall	Powers
Regional Organization					
Direct Boss (Assistant - where applicable)	c.2000 R[2]	c.1000 R[2]	c.600 R[1] c.350 R[1]	c.500R[1]	Personnel selection and promotion; allocation allowances; setting and changing the Plan; granting and exempting trade areas; alarm sudden controls.
Others			Regional book-keeper: occasional presents		
				Gatekeeper/ watchman: c.150 R[1]	Much know-how of the illicit operations. Since the market stall operator is relatively weak - he is relatively powerful.
Local Police					
Head	c.600 R[1]	c.600 R[1]	c.1000 R[1]		Deal with citizen complaints Supervise road-patrols
(Deputy)	occasional presents	c.100 R[1]	c.500 R[1]		Supervise economic police
OBKhSS	N/A	c.60 R[1]	c.300 R[1]		Particular responsibility to fight economic crimes
Others		Officer in charge of the district c.40 R[1] Neighbourhood officer: c.20 R[1]			Some restricted local powers

Notes: 1 - Monthly Payments
2 - Periodic Payments (approx. every three months)

(b) The Local Police

The striking fact about regular payments to the local police is that our market tradesman did not pay them: the only case I know of where the police were not directly involved in second economy production and trade. This could be either because of the weakness of the enterprise resulting in the retailer being unable to sustain regular payments (he would have to limit his payments to essentials hence, payments to the direct supervisor and to the gatekeeper/watchman) or, because the business was so small it would be demeaning for a senior policeman to accept bribes (see the next section for further details), while keeping only the lower ranking officers on the pay list would be pointless. Without the backing of the local seniors, a store could not be guaranteed protection.

Yet another possibility is that the market with its huge potential for illicit profits was dominated by powerful enough individuals to exclude the police from direct involvement. This does not mean to say that police officials were unable to obtain some illicit gains, but these would have to be channelled through a key figure among the market traders or more likely as part of the pay outs of local representatives to their superiors. My informants estimate the illicit annual income of the official running the market was in excess of 40,000 Rubles and that is from 'salaries' alone. Though my informants had no evidence, they believed it most unlikely that such a large sum would go into one pocket only. Among the main beneficiaries had to be the highest echelons of the police.

With the other three stores one finds, as would be expected, regular pay-offs distributed up the hierarchical ladder with the head of the local police sitting on the top rung - his 'salaries' were far in excess of any of his subordinates. The reason being that "the big boss is a big man. The bigger he is - his word counts more. Besides, it's important that the 'small ones' know I am a friend of the boss. But though the 'small ones' wouldn't have much power, I wanted them to be good to me - so they were paid as well."

Town Store I in particular gave pay-offs to all the minions - the reason being that the store was situated close to a tourist resort and therefore catered for a passing trade. Consequently it was a more vulnerable target than usual for customer complaints. By paying off every policeman it hoped to 'tie all loose ends' and diffuse any such complaints at as early a stage as possible.

The village store on the other hand had only limited expenses as the local police force consisted of only two policemen. It is interesting to note that while the store manager was willing to pay a regular 'salary' to the junior policeman as well, the senior police officer objected. Apparently he wanted exclusive rights on the local store (as a way of asserting his seniority). So my informant used to give the junior occasional presents, to ensure his good will without upsetting the local balance of power.

(c) 'Ad Hoc' Payments

Although most expenses incurred running the illicit store were in the form of 'ad hoc payment', not 'salaries', my informants did not consider them to be bribes or dishonest in any sense. In fact these payments were expected when trading in illicit merchandise, reflecting the "the real value of goods" as it was put to me.

The largest portion of pay-off went to the broker at the allocation centre who would usually charge about 10% of an item's price. To this one had to add additional levies imposed by road patrols (see Chapter 6) and the customary few Rubles to the driver who transported the goods.

5.4 The Organization and Sale of Goods in the Second Economy

Unlike factories, stores work on an 'open door' principle - anyone is free to wander in and browse. This calls for strict control to ensure that illicit activities are not exposed to the wrong people.

In this section I will examine how goods are displayed and stored and how the sale of black market merchandise works.

(a) The Lay-Out of the Informal Store

In the Soviet Georgian store two different (but not separate) enterprises operate under the same roof, at the same time, at the same counters simultaneously: one is legal, the other is illegal.

One informant explained the relation between the two as follows: "Anything in demand would go under the counter - everything without demand would be displayed on the shelves." So this is a reverse situation between the rarity of a product and its displayability - really the opposite from the West and a sharp manifestation of the main differences between the two markets: one is a buyer's market, the other - a seller's. One is an open market (money will buy anything) the other is a market within a market with only limited access.

A retailer who had a new store built told me the following revealing anecdote about a conflict between a law-abiding ('straight') designer - "he came from Moscow" stated my informant, as if this explained it - and the informally inclined locals.

The new purpose-built store consisted of two floors. The interior designer suggested that maximum display space was desirable. He had all the merchandise stored on shelves and he installed a self-service system. Each floor had only one desk where shop assistants would help with enquirires and packaging of goods, whilst the customer paid his bill at the cash desk. In fact it had a similar layout to Western stores. The manager, on the other hand, wanted a more orthodox organization of display counters whereby merchandise would be exhibited in a display cabinet and be handed over by the assistant at the customer's request - a far more personal service. Having this kind of arrangement meant ample storage space for hiding 'under the counter' merchandise and ensured that quality goods were under the auspices of staff and were sold only at the right price to the right people.

An essential requirement for illegal sale of goods is personal contact between customer and retailer. The manager thus wanted a decentralized system whereby each department had its own cash register. Separate cash registers had the added advantage of complicating audits - when officials made a swoop they had to check six sets of accounts as

opposed to only one in the proposed system. However the manager's proposals contravened the ethos of central command.

The way the disagreement was resolved is particularly significant. On his boss's advice my informant stopped arguing with the interior designer and allowed him to do as he pleased. When he had finished and authority was back in local hands my informant altered the premises to his own requirements (this was sanctioned by his superiors) claiming that the original setting out was not practical for the store's purposes. The local powers did not question this.

Yet another common hurdle is where to hide illicit merchandise, especially since supply is erratic and retailers cannot plan their store's intake. This is a major concern for town stores who tend to obtain specially manufactured goods, not only imitations of legal merchandise. One of my informants solved the problem by acquiring a local residential property. The owner agreed to rent out a room to him which was turned into a 'warehouse' for 'hot' merchandise. He paid the owner a monthly rent (10 Rubles) and more importantly offered him the opportunity of access to sought-after goods at somewhat reduced prices. My informant felt the landlord was well pleased with this arrangement.

(b) The Strategy of Illicit Sales

To sell or not to sell: that is the question. This is the Achilles Heel of illicit sales and if careless (see Chapter 8, Crisis Events, Accounts I, II and V) one might be in great trouble. However, there are some general safeguards (see Section 6 on the Rules of Informal Trade).

The main risk lies in overcharging.[15] With small quantities there is usually no problem. They can be sold to trusted associates. Difficulties occur when off-loading large quantities, especially in town stores which lack the rapport that exists between locals and their village storekeeper. An informant explains:

> "Say I got 300 pairs of fine shoes. It's a real opportunity to make some money - but I handle it cautiously. First, I wait a couple of days to see who else has the same stock and how much they are sold for. If I'm lucky and the only one in the area, I will start selling 20-30 pairs for a day or two at the official price so that the rumour will spread that my store can get quality shoes cheaply.
>
> "It normally doesn't take longer than a day to have people queuing for the goods. And then I can select. Either I sell (for more than the official price) or I say: "Sorry we've sold out." And if a 'big shot' comes in I may tell him: "Sorry I'm sold out - but leave me your shoe number and I'll try my best to find a pair for you. And then I gain twice. Firstly, I do him a special favour and he owes me now. Second, I can always call him as witness (if a control is made) that he just got the last pair."

Another common problem with customers who present themselves as 'friends of friends' (Chapter 5 on Networks) is that one's network can proliferate to hundreds of people. Obviously it depends on circumstances at the time. But one of my informants claimed he never took chances "I would say I haven't got the goods right now: come tomorrow and we'll see. In the meantime I check his references."

5.5 The Retailers Unofficial Organization

It is because of their vulnerability, more than anything else, that storekeepers are forced to band together. In the market this tendency was markedly clear to the extent that salesmen had established their own code of 'Law and Customs'. The clearest example of this form of autonomy is found in Chapter 8 (Account II). Their solidarity united members in mutual friendship and loyalty.

To some extent this unofficial association of retailers had a say in the running of stores. Any new store had to have the silent approval of fellow market traders especially if the new business aimed to vie in a competitive trade area. On one particular occasion a forum of all interested parties gathered to discuss a claim put forward by one member, who argued that an adjacent store had taken on a new line of products similar to those he was dealing in. The assembly decided against the complainant and the dispute was settled.

The traders strong association stemmed from familiarity, through having to work in close proximity and also (at least for some of them) from having very weak social support networks. By joining forces they overcame weaknesses: they thus formed a coalition of the weak.

With the other stores, close associations were marked through payment of bribes, because unlike factories, 'salaries' were not paid out directly by individual stores but collectively and through a representative, who acted as a 'linking pin' (to employ a concept by Likert, 1961) between officials and stores. An informant explained: ". . . the reason being the Head of Police, for instance doesn't want to get too dirty; he doesn't want to be everyone's pal - so he does not take from everyone. Only from the biggest (traders)."

This phenomenon also applied to manufacturers. The small producers had a similar problem and they solved it in a similar way. It was considered dishonourable to take from them since in exchange for this money they were owed a favour - it was unthinkable to be indebted to such nonentities. Consequently the town stores formed groups of 10 to 15 stores[16] who passed their 'contributions' via a representative who was considered respectable enough to deal with the authorities. The fee was not a fixed sum but varied according to the size and location of each store. Although the official would not receive bribes from individuals he would be informed who had paid and how much.

Another function of an unofficial group of retailers was the communication of reliable information. In other words, business contacts were essential - one had to be well-informed about the whereabouts of scarce commodities and mingle with people who posses such information in order to ". . . develop antennas what goes where" as one informant put it. It is in this context that one's social standing in the community has such far reaching implications. To be excluded from information not only implies 'social death' (as outlined in Chapter 4 on Core Values) but also - in a business environment - financial ruin.

6. RULES OF INFORMAL TRADE

I now come to the last section in this chapter. Bearing in mind the principles and practices governing the operation of unofficial stores in Georgia, the question one may ask is how do these principles and practices determine the retailers choice of merchandise? It is the aim of this section to discuss this question. I would like to do so by giving the five rules of thumb which were proffered by my informants.

6.1 First Rule: Pricing

'TRADE WITH MEDIUM PRICED PRODUCTS. DON'T DEAL WITH EITHER VERY CHEAP OR VERY DEAR GOODS'

There is no point dealing in products with a very low market price, since even excessive overcharging will not yield a worthwhile profit. On the other hand it is not advisable to handle very dear products as there is a big initial outlay and the possibilities for a potential market are limited. Consequently the target would be a medium sized product in reasonable demand from which one could make a fair profit.

An example of the first negation concerns perfumery. Every brand available was Soviet-produced and very cheap. It was in reasonably high demand and the stores would supply it accordingly. However, no attempt was made to decrease its availability and in so doing raise the market price because it was too insignificant and profit margins would have been negligible.

A reason for not dealing in too rare and expensive items is this incident which took place in the early sixties:

> "One day I was approached by an old acquaintance who wanted to sell an antique piece, which had been in his family's possession for some years. It was a nicely shaped jewellery box (or perhaps it was originally made for tobacco or even fire-powder) made of fine wood, artistically silver-plated and inlaid with precious stones. The seller asked a fortune for it - about 5,000 Rubles - and it was probably worth it. But I couldn't find a buyer. It seemed crazy to put so much money into the purchase of one small box."

6.2 Supply and Demand

'TRADE WITH GOODS WHICH ARE NEITHER RARE NOR COMMON, BUT WHICH ARE IN REASONABLE DEMAND'

It is not a good idea to deal in products which are in high demand and very scarce because it is difficult and dangerous to overcharge. On the other hand, handling very rare items might leave one open to pressure and blackmail by prospective customers eager to acquire these products as precious status symbols. Consequently, the trader should therefore aim at products which are neither rare or easily accessible.

An example of the complications pertaining to such scarce commodities is that of the ZIL refrigerator.[17] This Russian-made appliance was considered the best of its kind. It was of good quality, had a powerful motor, a strong freezer and was nicely designed. Needless to say, it was in extremely high demand. My informant explained why he didn't like to speculate with them:

> "We only got two every three months which was our official allocation. It was supplied directly from Moscow. No intermediate agencies - therefore it was very difficult to establish connections and arrange for more items. But say I got the connections and pay extra money and arrange to get some more: where would I put them? they're too big to hide - so I'll have to display them in the open display space, which would make it more difficult to sell for an excessive price. But that's not the main problem. If people in the area would hear that one can get a ZIL refrigerator at my place I would expose myself to extreme pressures to supply - both from informal and formal channels. So that the best was the simplest: to get what I am formally authorized to, to sell it at the formal price and only to those who are supposed to get it. Which means to the 'big ones'. My boss would tell beforehand - since he knew when an allocation was due - to whom to designate the fridges and sometimes I wouldn't even bother to pass them through my store, but rather advise the clients to get them from the area central warehouse."

Products which are in plentiful supply and therefore easy to obtain are not worth discussing - they would not be sold 'under the counter' because they could be purchased at the store over the road for the official price.

6.3 The Size

'STOCK THE SMALLER ITEMS - THEY ARE SAFER'

The thinking behind this rule is that large items can draw unwanted attention and land one in trouble.

Large items require special transportation arrangements and the likelihood of detection by a road patrol or any other interested parties increases. The village store manager used to inform his superiors of any large illegal transactions he made - for instance furniture - which meant they had to get a share too. "Even a large profit wasn't worth the effort" he concluded.

6.4 Durability of Goods

'TRADE WITH CONSUMER GOODS THAT HAVE A GOOD TURNOVER'

This rule refers to the way in which goods are purchased and sold. Indeed it is an intrinsic principle of networking. To establish a network for limited, if infrequent use, would be very expensive and impractical. A network needs constant nourishment in social and monetary inputs (as clarified in Chapter 5 on The Network and The Feast). Only a regular ongoing process would therefore be beneficial. This applies to both the process of acquiring the goods and selling them - both require a network. An informant explains:

> "There were a lot of goods in high demand, in which one could specialize. But that was only worthwhile if working on a very large scale: at least regionally and certainly not confined to a townlet or a number of villages.

"For instance, a piano is a must for any Georgian who respects himself. The sought-after makes were Russian: Beilerus or Krasneya Octyab. But how many can you distribute among your friends or among customers you trust? Sooner or later one has to expose himself to a larger market and eventually your supply sources dwindle. After all, how many pianos does a man buy in his lifetime?

"The same was true even for smaller items. Thus, Czechoslovakian china and crystal were renowned. But once again, once you sold someone a dinner set, it satisfied his needs. You can't sell him another set the following year!"

Networks then can be 'saturated' by expensive immovable goods.

6.5 Fifth Rule: Selecting One's Customers

'DEAL WITH REGULAR CUSTOMERS. THEY WILL HAVE A VESTED INTEREST IN KEEPING YOU GOING'

There was an immense difference between the way the village store and the town stores selected their customers and it has been explained how this influenced the kind of illicit dealings a store could operate eg. overcharging (country) versus obtaining cheaper supplies from manufacturers (town). I have shown the impact this has had on the informal meta-structure: the number of policemen on the regular 'pay roll' was the largest in the tourist resort centre.

The village setting is ideal for covering-up illicit activities (eg. Chapter 8, Account I). Firstly, strangers can easily be detected and secondly, the store manager is considered by the locals as 'one of us'. My informant said that to the customer's way of thinking "he's also got to make a profit. But we trust him." And indeed the manager confirmed that he would not exploit them: "I would never squeeze them. We have established a way of living with mutual trust as its foundation."

The vested interest of customers in having 'their store' is self-explanatory. Firstly, they know they will be overcharged - but not too severely and not very often. Secondly, they have somewhere to go for 'special requests'. For instance, one of the town stores specialized (as an additional source of income) in introducing engaged couples' families to their suppliers in order that they could obtain supplies of food and clothes for the wedding ceremony.

6.6 Clothes - The Ideal Commodity

Summing up the aforementioned recommendations one concludes that the best policy is to -

TRADE WITH MEDIUM-PRICED PRODUCTS, WHICH ARE NEITHER RARE NOR EASILY ACCESSIBLE, BUT WHICH ARE SCARCE AND CONSUMABLE, PREFERABLY SMALL. FINALLY, SELL ONLY TO REGULAR CUSTOMERS.

All things taken into consideration, one can clearly see that certain merchandise fits very well into the desired paradigm: clothes for instance.

Clothes go out of fashion and wear out and are constantly having to be replaced. This is a good reason for developing a supply network, for regular clients over a long period of time. Secondly, they are easy to transport and to conceal: they are basically small, flexible and light items.

Thirdly, they are at the right profit level - not too dear to require a large investment and not too cheap to make profit levels negligible. Fourthly, they are not too rare to become status-linked commodities and thus cause risks and not too common (because of their diversity) to be of no trading value.

In addition clothes are a natural focus for conspicuous display - a cultural must in the Georgian style of living. This explains why clothes are a main source of illicit profits in Georgia.

NOTES

CHAPTER 7

1. Both Hanson (1968) and Greer (1973) have noted how the Soviet pricing policy may hinder innovations.

2. See Chapter 1, Section 2.3 'The Economy'.

3. I used the term **Kombinatsia**, a common expression referring to Second Economy Activity.

4. There is no point in excessively and regularly overfulfilling the Plan, as this would indicate some basic error in planning, and consequently the targets will be re-adjusted upwards. Unless of course this is exactly what the shopkeeper wants to achieve - that is expanding the store. One of my informants extended three times in this way, by simply showing that he supplied growing needs.

5. Each sort bears a different colour label. Sort 1 is red, sort 2 is blue and sort 3 is green. The other specifications given in the label clearly indicate the type of product and the price.

6. These terms were explained in Chapter 6, sub-section 'The Rules of Bribery'.

7. Unless their products do not compete with the state goods, in which case they may get whatever the market forces dictate.

8. Although in emergencies one could rely on fellow traders to give a hand. The business was always kept open even if the store-keeper was absent due to illness.

9. Figures are correct to the beginning of the 1970's.

10. Wagon (Russian), Wagoni (Georgian) meaning railway carriage.

11. Information by Intourist correct as at Spring 1983.

12. Compare this example with the Textile Factory's general manager of whom it was said that he "held the town in his fist and was afraid of nobody" (Chapter 6, paragraph 5.3).

13. Local patriotism is deeply rooted in Georgian consciousness. Consider for instance a letter published by a Georgian ex-patriot (Chapter 3, paragraph 1.1).

14. Suggesting cowardice, feebleness.

15. It can be assumed that by falsifying the quality, the other common method of defrauding the customer, it is likely that the client will remain in ignorance.

16. This number is the largest possible to function effectively as a intimate social group.

17. ZIL stands for: Zavod Imena Lenina (name of the manufacturer).

CHAPTER 8

CRISIS EVENTS

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The Flea and The Ant: (A Fable)

A Flea and an Ant swore to become brothers.[1]
They walked off and reached a small stream.
The flea said to the ant:
"I'll jump but what will happen with you?"
"And I can't jump?" answered the ant.

The flea jumped and the ant jumped but fell into the water.
Pleaded the ant to the flea:
"My brother, help me - don't let me drown!"

And the flea jumped and jumped and reached the pig and asked:
"Pig, give me your hair and I will have a strong rope done and will get my sister-ant out of the stream."

Said the pig:
"But first bring me Rko"[2] *and the flea jumped and jumped and got to the tree and asked:*
"Tree, give me Rko - I will bring it to the pig, who will give me his hair, to make a rope I can throw into the stream and get out my sister-ant."

Told him the tree:
"But you have first to draw the hawk away from my branches."

And the flea went to the hawk and asked him to leave in peace the tree, so that the tree will give him . . . etc.

Said the hawk:
"But first get me a chick." So the flea went to the chicken and asked her:
"Please give me a chick, so I can give it the hawk, who will leave in peace the tree . . . etc."

Said to him the chicken:
"But first bring me Petvee."[3]
Went the flea to the cellar, where Petvee is kept and asked: . . .

Said to him the cellar:
"But first far off the rat from here."
Went the flea to the rat and asked: . . .

Said to him the rat:
"But first get the cat away from me."
Went the flea to the cat and asked . . .

Said the cat:
"But first bring me milk."
Went the flea to the cow and asked: . . .

Said the cow:
"But first bring me some grass."

Went the flea to the field and cut some grass he brought to the cow who gave him milk which he brought the cat who kept away from the rat that left the cellar which gave him Petvee he brought the chicken who gave him a chick which he brought the hawk that left the tree. The tree gave him food for the pig and the pig gave him some hair, from which he made a strong rope. He threw the rope in the stream and rescued the ant.

And then they continued their way as brothers would do.

(Samshoblo, 16 (555), August 1982)

This fable appeared in Samshoblo, the Georgian compatriot monthly, which is distributed free of charge outside Georgia. The fable was published in response to a request, from a migrant residing in New York, to cater for the young children of Georgians living abroad. One can only assume that its choice rates this piece as quite a popular one. A view confirmed by both Israeli and English informants originating from Georgia.

1. SIX CRISIS ACCOUNTS

1.1 Introduction

The aim of this chapter is to look into some of the crises that involved my informants when they were carrying on second economy activity in Georgia. By crises I mean those occasions, when second economy activity became officially known to the authorities or when such knowledge was imminent and when it appeared likely that official action could not be deflected. Crises are of primary importance for the following reasons:

- the risks of being detected are an inherent component of any illegal activity. It thus heavily influences the structure of that activity as suggested in earlier chapters. It means, for instance, and at its simplest, that extra safeguards have to be incorporated at all stages of illegal production, distribution or service provision. Crises allow us to look into the structure of informal economic operations in ways not normally available when their routine workings are being discussed. In short: crises throw structures into high relief.

- Crises had very real presence in the life of my informants. Among the 35 persons who were interviewed for the Life History questionnaire, only 7 had no case of imprisonment or danger of imprisonment in the history of their extended families.[4,5] One informant put it in these words: "One does not realize the danger there, because life takes its course and **Leviing**[6] is part of it. Only now, in the distance of time and place, can I see that practically every single day of my life my neck was in the rope and at any minute the ground could have been cut from under my feet." It is in this context that people speak of a constant presence of FEAR. They often use the word with the prefix 'the' as if it had a special connotation in their life, as if they were speaking of some real, existing entity.[7]

By looking in detail into crisis events, I follow a long-established tradition in social anthropology. Gluckman studied crises as an aspect of conflict and as an important source of data as long ago as 1940 (Gluckman, 1958), but one can trace it back to Evans-Pritchard (1937) and indeed further to Malinowski. Of particular importance is the development by Hoebel and Llewellyn of the 'trouble case method'

in studying "primitive law" (1941). Not only because they were the first to outline this methodology and emphasize its importance, but also because their study related to events which happened in the past, much like the present study - though their past was more distant than in my case. Others, who have made particular use of similar concepts are Barton (1949), Colson (1953), Turner (1957), Bohannan (1957), Gulliver (1963) and this is by no means an exhaustive list.

1.2 Account I: An Attempt at Blackmail

The following account is told by a village storekeeper. It occurred at the beginning of the seventies:

> "I'll never forget it. It was a Sunday and snowing and we were selling flannel cloth and a long queue of customers accumulated. The flannel cost 1.02 Rubles and we were selling it for 1.27 Rubles - a 0.25 Kopek difference which made very nice profit since people would be taking some 5m each.
>
> "Suddenly I noticed two people approaching me. They asked me how much is the price - which was strange, so I didn't reply. And also because they were strangers. They asked me again and again I ignored them. Finally I became angry and said I wouldn't discuss anything until their turn comes. So they entered the queue. When their turn came one of them chose three colours and asked for the price. I ignored his question, computed the figures, and gave them the final sum. Which was the correct official price.
>
> "Somehow I felt something fishy about them: they were strangers and asked too many questions. They did not seem happy with that, but gave me a paper note and I gave back the change. Which was the exact sum. So they counted the coins, standing near the counter and apparently became irritated. One threw the coins into my face and shouted: 'You made an error. You should have charged us the same price you charged the others.'

"My reaction was a burst of laughter because I was smarter than them. I knew that I could easily prove that I didn't overcharge them and actually refused to take from them more money. The two left and I didn't bother myself any further with the whole affair.

"Next Sunday one of the two appeared accompanied by a policeman I didn't know. They went straight to me and asked: 'who is in charge here?' I identified myself and the policeman said: 'I'd like to have a word with you.'

"We entered into the warehouse and he claimed that a complaint had been issued against me. I asked him: 'who are you?' and he answered: 'What do you care?'

"I knew he is not from the area, since I knew all policmen in the area. So I insisted and asked him again and finally the policeman said he belongs to a certain station.

"So I told them: 'Please wait here' and rushed out in order to get hold of 'my policeman'. When he entered with me into the store they both became pale. 'My policeman' asked them what they wanted and the other policeman said he came to investigate a complaint about price overcharging. 'My policeman' became very stern and said that any such complaint should be dealt with by the local police only. To start with, that complaint should have been registered locally and he is going to see to it that both persons are to be questioned about the whole affair. Hearing that the two strangers became very nervous and quite apologetic and asked me and 'my policeman' not to take this matter any further. And it turned out that the stranger persuaded the policeman whom he knew that here is a chance to blackmail some rich Jews and there was no intention at all to issue genuinely a complaint.

"After we have done some enquiries, it turned out that there was no intention whatsoever to complain but rather to blackmail. The stranger got somehow the idea that this store 'belongs' to some 'rich Jews' and persuaded that policeman to cooperate with him in blackmail."

1.3 Account II: Rescue from Incrimination

The following case is told by an informant who at the time was seventeen years old. The subject of the story is his father who was a small businesman running a small shop (or a large stall) in a typical Georgian small town market holding some forty shops and a few stalls. The events happened at the beginning of the seventies.

"On Monday the traders in the market got warning of a possible raid sometime during the coming week. The warning arrived from a person who was not a trader but had much invested interest in the market. He was a 'silent partner' to some of the shops there. This person had a link to somebody in Tbilisi who would be expected to know of such things. A check with the local officials failed to verify the warning. They did not know anything, but people in the market nonetheless took the warning seriously. After all it came from a highly regarded person. Few closed their shops for the whole week - most of them were the more established shopkeepers. The rest, including my father, could not afford to close entirely. So they tried their luck.

"A few stayed open all the week - others closed only on certain days. My dad closed on Tuesday and Wednesday and opened on the Thursday. Thursday, being market day, involved obviously a higher risk - but also a high chance for earning, especially as some shops did not operate because of the scare. The special control committee arrived on Thursday. It was a central committee on an irregular check mission[8] - and that is why the local officials were not told.

"This was an ad hoc committee of eight persons working in two sub-groups, comprised of persons from the commerce departments in some local governments and representatives from the regional office of the OBKhSS.[9]

"A local boy of fourteen was given some money to buy a few things at my dad's shop. The boy was probably a **Komsomol.**[10] Three men, disguised as customers, watched him. He purchased a pair of trousers and was charged 4.40 Rubles instead of 3.60 Rubles; a pair of socks for 2.30 Rubles instead of 1.20 Rubles and a rubber band for underwear of which he got 7m instead of 9m as charged. The control man identified themselves, charged my dad with speculation (which is a criminal offence) and ordered him to close his shop, which was thereafter sealed until a formal inquiry was set up. He was taken immediately to the town's police station.

"The rumour spread immediately at the market place and details quickly reached our home - though we lived some two hours away by train from the market. At once all our relations and neighbours came in to share with us the tragedy. My father's brothers and my mother's cousin - who happened to visit the town at that time - started to plan how to get him out of the mess. First of all, all the goods we had at home were dispersed quickly to face a possible police raid in our home. They were put, for the time being, at my father's brother's place.

"My uncles and my mother's cousin made a contact with the head of the police station where my father was arrested. It seemed possible to do something but for a considerable amount of money. My mother's cousin proved to be of crucial importance. He was much richer than our family - he ran a factory in Tbilisi and had many contacts with officials there and knew in person the man who had issued the warning to the market traders.

"He asked this person to come urgently from Tbilisi and both went to see the head of the police. Of course they took a lot of risk, since they demanded the release on bail of my father as well as easing the charges against him. This was arranged for the huge sum of 50,000 Rubles to be handed in cash.'

'How was the sum raised in a short time?'

"20,000 Rubles were given by my family. Part of it we held at home as a matter of regularity for emergencies. The rest was given as a loan by my relatives. 30.000 Rubles were raised by the traders in the market - both Jews and Gentiles.[11]

"On his release, father went together with a few others (including me) to empty his shop of the illegal goods he held there. Instead of 34 items he was licensed to deal with he stocked some 240. If caught and convicted of this offence he would have been sentenced for 'sabotaging the state's economy' on which the minimal sentence is 15 years imprisonment.

"Luckily, dad was clever enough to leave a window unlocked - through which we managed to go in with the help of the night patrol who was given 100 Rubles. We dispersed the goods among the other shops in the market - the traders had authorized the guard to open their shops to do it. But a considerable amount was loaded on a van we brought with us. On leaving, we phoned to our house from the guard's post saying: 'the birds are on their way' which was an agreed code meaning: 'the goods are on the way - be ready to disperse them.'

"My mother's cousin was driving. He was a man in his thirties and very tough. Since it was early morning, we were soon detected by the police patrols and were ordered to stop.

"Of course we dared not stop and a chase developed. We knew the roads very well and managed to get away. On arrival we unloaded at my mother's cousin's relation, since our home could already have been under surveillance. Small traders were waiting with cash to buy the goods off us at purchase price.[12] Within 90 minutes all was gone."

1.4 Account III: Revenge

The following is told by a young storekeeper. The events took place at the end of the sixties.

> "In one of my regular visits to **Tsentral Baza**[13] I was approaced by one of the **Tovarovedi**[14] who asked if I would be interested in some 'spare' fabrics he got. I replied: 'I'll think about it.' Really, I was not interested in particular. Firstly, because I already had a regular supply from a local factory, and secondly, because I was aware of the distance I have to travel and the fact that I got to pass through three police regions, and in only one of them I personally knew the senior officers.[15]
>
> "But he seemed to press me to buy up the stock and I didn't want to refuse him as this could affect future relations between us.[16] While unloading I was careful to put the illicit stuff deep inside the van. As usual, I asked for the driver I have always been taking with me. He used to get some 10 Rubles tip, as sometimes we had to stop at unsolicited places, unload and upload or extend the journey. He was very reliable; he kept his mouth always shut. (My informant draws his lips together).
>
> "Off we went and after some time I heard a horning behind me. I didn't pay any attention to that until the driver looked at the mirror and said: 'Gosh, these are **Dogs.**[17] What the hell do they want?'
>
> "We stopped of course. The policeman who approached us seemed to be annoyed: 'Why don't you stop?' 'I'm horning and horning for five minutes' he shouted to the driver.
>
> "Then he turned to me and said: 'And who are you?' The driver presented me and the policeman asked to see the **Faktura.**[18] I handed them over - there were some ten and he carefully observed them. Then he told me to open the van and it looked as if he intended to go through any single item I bought. Both of us were in the rear, unloading and comparing the list and, after going through half the van (the unrecorded stock was at the very rear),

he suddenly said: 'D'you know what, between us, I can assure you that I know you got here unsolicited goods' and he quoted to me the exact specifications: quantities, sorts and prices. I was stunned. But I denied it.

"So he said: 'OK let's seal the car and turn back and have an official check at the police station.' 'All right, let's cut things short' I told him. 'What do you actually want?'

"And he replied: 'Look, don't be stubborn. It's a pity on you: you are still a young lad.'

"So I said: 'D'you know what - you're right. I got with me goods that I should not have. Now, how does it help me that I told you that?' 'You are lucky' he replied 'You are lucky that I am a friendly person and that I like to discuss things.'

"So we got off the van and started negotiating. He asked me my name and I told him, and then he called me by my private name, as if our relations have suddenly become more intimate. 'Believe me,' he said 'I know where you come from and where you go to and I tell you that I cam make a fortune out of this case. From the man who gave you these goods I can demand a lot of money.'

"'You are wrong' I said 'Nobody gave me anything. I broke into the warehouse.'[19] He laughed and said: 'Really, don't tell me fairytales. I want 5,000 Rubles.' So I said: 'All the stuff we are speaking about is worth 1,900 Rubles. Out of this I hoped to make maybe 200 Rubles' - which was true - 'How can I give you that much?' 'If I take this matter further and arrest you and then contact the man who sold you these goods and tell him you are under arrest - you will see how much he would be ready to spend in order to get you out. What is 5,000? If I'll like it - I'll take 50,000 - I'll have a million!'

"At that time I really started to worry. He knew too many details about this transaction and I could not make out from where. It was clear someone was trying to have me. But who? And why? In any case, the sum he asked for was ridiculous for the circum-

stances and I still had time to bargain. So I said: 'All right, I'll give you 500 Rubles.'[20] He refused, so I said to him: 'look, that's all I can afford. If you don't want - all right: book me. I'll be finished. You will have finished a man and his family. And what will you have gained? Money you won't get and you certainly won't receive a medal.'

"Finally we agreed on 600 Rubles. But I had nothing like that sum with me. So I said to him: 'I give you my word of honour - yet this evening (it was already late afternoon) I bring you the money.' But he refused and said in contempt 'Who knows - you are a kid.'[21]

"So I started naming all the persons in the district whom he might know, mostly storekeepers like myself, and who would be ready to stand a surety for me. And while I am doing that, I noticed one of the people I mentioned, passing by in his car. It was really a miracle. I waved to him and he stopped and came to the two of us and asked what was going on. The policeman who knew him asked: 'Do you know this man?' pointing to me and the latter confirmed. 'Can he be trusted for 600 Rubles?' Instead of an answer, the man - without a word - handed out 600 Rubles to the policeman. I was very thankful to him at this moment.

"The policeman left and the agony seemed to be over. I told my colleague, who had a shop in the district and we were belonging to the same organization, the whole story and asked him if he would be kind enough to do me another favour and that is to report the incident to the chap who gave me the goods. Because he might be in danger as well and I wanted to rush with my stuff home and anyhow I had to release the van with the driver.

"'Of course' he agreed. And I thought that as far as I am concerned the ordeal is finished. But this was not the end of the story.

"At 10.00 p.m. the **Tovaroved** knocked on my door. He was angry and worried and wanted to know exact details. In particular he was interested in the policeman who stopped me. But I described him and I knew to which district he belonged, and most important, I noticed the car registration number he came with. The following day - this information I gathered later - the **Tovaroved** located the said policeman. He pressed him very hard to reveal the person who gave me in. Of course, the man was very reluctant to give away the name. But, after a lengthy debate in which it was made clear to him that he would be 'looked for'[22] and in exchange of 20,000 Rubles and a few bottles of wine, to ease his conscience,[23] he got the name out of him.

"The traitor was a storekeeper and a Jew, and we all knew him well. His motivation, as turned out later, was to take revenge on the chap who sold me the goods and I was only a vehicle to get through to him. Then I recalled that indeed he was present when I loaded the van with the unsolicited merchandise and he could have had all the evidence required to incriminate me - but who would believe it? I never even considered this as a possibility. The **Tovaroved** told me that when he came to see me again. And after he shared me his findings, he said: 'I still need you for one thing - and then it will be all over for you. Please come and attend a meeting I'm gathering tomorrow. You must make an effort and come.'

"So I did and the following happened: there were some 10-12 people present in the room. All storekeepers, all regular customers of the **Tsentral Basa**, including the man who gave me in, who apparently didn't suspect anything. The **Tovaroved** opened the meeting and said that he asked the people who were present to come because of a grim matter that happened and to which he wanted to have their opinions. He then turned to this man and said: 'You gave away this young person. Why did you do that? Do you know him at all? What wrong has he done to you? Do you realize what might have happened if this matter was not stopped in time - if it came to an official inquiry? Even if he would not talk, even if he would not reveal anything - they were obliged to come here and seal the whole place and start investigat-

ing. Because it was clear that this is the source of the goods. And what would have happened then? All of us (he circled the participants) would be damaged, it might even be that all of us would be arrested. And all because of your slander. Why did you do that?'

"The man, very emotional, replied by accusing the **Tovaroved** of discrimination. He claimed that he would refuse to give him any good stuff. Not only under the counter but even his rightful allocations he would deny him.

"'Certainly I did so' replied the **Tovaroved** 'because I knew your kind and I knew you cannot be trusted.'

"And then of course a big fuss developed. Finally the **Tovaroved** said to this man: 'I do not pity you, but your family. Because you left me no choice but to chase you from your position. Take my advice and leave tomorrow your post and start looking for an ordinary job because you have no chance whatsoever to stay in business. I will haunt you in whatever position you will enter, in any trade you will take on, because what you did is inexcusable.'

"And so it was. The man did not leave his job voluntarily, but was dismissed after a while."

1.5 Account IV: A Conflict over Profits

"Getting the labels for the illegal biscuit packs proved always to be a delicate matter. We would get tickets according to the official quantities of The Plan but the rest[24] had to be supplied from elsewhere" explained the biscuit factory manager.

"The printing house of the official labels was out of the question. The supply came from outside Georgia and we had no access there. So we had to find a local alternative and we never had a regular place. Once or twice a year we had to look around for some printing house that would be willing to do the job. On this particular event we located a workshop some 50 km from the town.

We were introduced to the manager and he agreed to do the job but we had to supply the paper. This was a major problem. I knew personally the manager of a paper warehouse and he fixed us a 250 kg delivery to the printing workshop.

"And then I got a phone call to my house in the late afternoon, after working hours. It turned out that a quarrel broke out betwen the workshop manager and one of his assistants - all around our labels. Apparently the manager ordered the man to do the printing without offering him any extras for this work. When he asked for some money he was refused and then there was a clash which ended with the worker walking out of the workplace shouting: 'I shall not be called a man if not all of you end at the police station. I know precisely what's going on here.'

"We were therefore urged to come and collect the papers, because it was not known what damage has already been done or what might happen next.

"This was a supreme emergency and I immediately called my partners. We were living not far from each other and after a short while we got together. It was decided we had to act immediately and quickly to find out what happened and diffuse the dangers. The first task was to find out where the workshop manager lived. We wanted to hear what exactly happened and make it clear to him that he is accountable for whatever might follow as a result of his stupidity.

"After some effort we got his address, which was in a rather remote corner of the province. All of us - that is the three partners, got into a vehicle and we asked one of our foremen to join us. He was an amateur boxer and looked particularly tough and vicious. I had a gun in my pocket and we all looked as if we 'meant business'.

"When we arrived at his place it was already 10.00 p.m. We dragged him out of his bed. It was made clear to him that any adverse consequences to us will cost him his life. We forced him to get dressed and come with us to his worker's residence, which was another hour's drive.

"We then forced the two men to make peace with each other, which they did though not very willingly. Still, we had to take the 250 kg paper with us and disperse it.

"So, late at night, it was already after midnight, a van was arranged and the workshop unlocked. All the stuff was loaded and we made all the way back. We still had the problem of getting rid of the incriminating paper. We did not trust the worker and feared that he might have already given us away. So first thing in the morning I called on a neighbour who could hardly be connected with the factory if it came to the worst. I asked him to accommodate with him the paper for a couple of days until we see what to do next. He agreed, after some hesitation, but not for long.

"After only two days he came to me and begged us to take away the stuff. He said he can't sleep at night from fear. So I had no choice. I took the stuff and dispersed it among a few close friends and some was left with me - which obviously was rather dangerous. And gradually we started burning the paper. We couldn't do it all at once, we were scared this might be noticed. But, after a week or so, all was over."

1.6 Account V: A Customer Complains

The informant was managing a rural town store.

"One day we got, quite unexpectedly, a small shipment of Japanese ladies watches. There were only ten items and we were quite puzzled what to do with them. I suggested that we keep the lot for ourselves and distribute them only in the close family circle, but my partners felt differently and it was decided to sell them on a selective basis and naturally for a higher price than officially registered.

"We sold a watch for 50 Rubles on average, instead of about 25 Rubles, the formal price, which was not an excessive price for this quality and rare a product, and they all went very quickly.

"Certainly we were very careful about choosing the right clients, but we were not careful enough. Because once the watches were purchased they immediately appeared on the people's wrists, so that everyone will be able to observe the new purchase. And then they would be asked where they got these watches and it was not long before we had requests from clients, which we were of course not able to fulfil. And the next thing I knew was somebody rushing into the shop and handing me a copy of the local paper in which a letter of complaint was printed with particular reference to me. It said:[25] 'There is a store in this town which is managed by a person by the name of . . . . who runs it very well, and though he is not in charge of every transaction made - his impact is to be found in almost anything done, in particular what concerns imported goods.'

"'I would like, then, to take this opportunity to ask him who benefits from the Japanese watches he gets and why is their price double the official one; and how come a lady's dress costs 38 Rubles instead of 18 Rubles and not to mention imported shoes . .

"'But probably there is no point in asking because he knows precisely how these items should be sold and for how much. But he really does not care what we, ordinary citizens, think about his affairs. He does it his way as if the store were his private property and not a common wealth.'

"The letter was unnamed but this did not make things easier for me. It was bad luck indeed, since had I known it only a few hours earlier, even at the stage of the process of printing, I could have done something to avoid publication: manipulating my people, using threats, offering money - but it was all too late for that sort of action. Now we had to see what to do next - the damage had already been inflicted upon me.

"After careful consideration, we - my partners and myself - decided that the best would be for me to quit my post. This seemed to be the most reasonable solution for the inquest that we were expecting and also the cheapest one. In that respect, we were lucky to reside amidst a gentile population. Had it been a more 'Jewish' area, the officials would have been so corrupt with bribes that to clean up that mess would have cost us perhaps a million. We managed to get through considerably cheaper and the fact that I had to leave my work helped to smooth things over."

1.7 Account VI: A Betrayal

The following account is told by the son of this case subject. It happened in the mid-fifties.[26]

"Father was a tailor. He had a partner and both were working partly for the black market. They worked together for several years and it really was father who introduced him to the job. Father was the senior partner.

"One day father went to shop for cloths for the extra produce and on his return he was arrested with the stuff he bought and subsequently spent three years in jail. Later it turned out that his partner betrayed him. He approached the police and reported my father and instructed them how and when to catch him. He did it because he wanted to take over the business and while father was in jail his brother joined him as an accomplice.

Q: If you are right - and there was a betrayal, how come he did not fear retaliation?

"Father was not a rich man. He was really rather poor. He had three brothers, younger than him, with whom he had bad relations and it is very likely that that person knew all about it. And this fact is of supreme importance, because a Georgian will always first think of how the relatives will respond if he does such a thing and he probably envisaged that there will be no reaction."

Q: Were there any other relatives who would consider themselves harmed by such a betrayal?

"Well, father had three sisters and all were already married at the time but brothers-in-law would not necessarily count in a case like that. The traitor would not fear retaliation from the sisters' husbands."

Q: And what about your mother's family?

"Mother had three brothers, all photographers and they were helpful indeed. But they were not particularly well-off and they lived in different areas, so they did not make a very efficient deterrent either."

Q: And personal friends?

"Father had no close friends - that is, no **Dsemobilebi**[27] and no **Megobarebi.**[28] When father was arrested mother and my sisters and myself moved to live with the second brother of mother and her parents, who lived nearby and helped us with food and clothing. We had no savings nor income to live on. Father's family did practically nothing to help. They opposed his marriage with mother and ever since they hardly were in contact. When this affair happened they offered no help at all. Sure, they gave a proper show publicwise: they attended the trial and seemed very concerned, but they didn't even offer a penny to help and, after the trial was over, they hardly asked about his well-being. When father finished his sentence he completely broke off his links with his family: with all his brothers and sisters.

"From the very first day of arrest mother's brothers did their best to help father. Firstly they located where he was held: that was not clear since no one was present when they arrested him. And by the time they found him it was too late to get him out without a sentence because though the local police were involved, the regional police had already been informed. So they tried to find out who the **Prokurator**[29] would be in his case and how to find a link with him.

"Most of the dealing at that stage was carried out by the eldest brother who had brains, was better educated and knew how to talk in a nice manner. He approached the middleman who made contact with the **Prokurator** and this was perhaps the most important and delicate task in the whole affair."

Q: Who was the middleman?

"The middleman was the person found to be most suitable - that is, to the best of my uncle's knowledge - to approach the **Prokurator.** It was known that he was socializing with him and he had a proven record of previous successes. He claimed that he was not getting any money for his services, not a penny. That he is doing it for a just cause, because he knows my father and the family and that we are honourable people and blah-blah-blah . . . But the money passed through him and only he had contact with the **Prokurator,** so really he can take - and probably he does take - whatever he finds appropriate. The givers cannot know and possibly the receiver does not know either the exact sums exchanged."

Q: Was the middleman Jewish or gentile?

"He was a gentile."

Q: From your experience and from your knowledge of the middleman institution, can you describe some of the characteristics of these men?

"This person, firstly, would be someone reliable. Someone you can trust, and that applies to both sides: to the giving and receiving ends. His source of power is the very fact that he has a reliable contact with a person in an important position. That is a potential power that can become active in times of need.

"The sources of this contact could vary. Maybe he once helped a relative in crisis and hence established relations and then became known in the community as someone who can 'fix' such things. Maybe he has already a communication channel with this

important person on other grounds. Say, he is supplying him some professional services or goods - and that can be even the tailor or the grocer, but probably someone of a better social standing - and now he uses the same channel for other purposes. So the crucial characteristic is that he has already a communication link. And sometimes it could well be that the initiative will stem from the **Prokurator** himself and he finds a suitable person to function as middleman.

"First we got a demand for 20,000 Rubles[30] in exchange for a lenient sentence. That is, for 20,000 father would get three years. Without any payment he might have got up to 15 years, depending on the charges against him. This was a lot of money and there was no chance to raise such a sum. Probably it had to do with the fact we were Jewish. Because the image the Jews had was that they are wealthy and therefore can afford to pay, and that they are cowards and therefore can be easily threatened and that they would do anything not to sit in jail.

"In no way were we able to raise the sum required, so we started to negotiate with the middleman. My uncle said: 'We are a poor family - you can ask and find out. We are desperate, we hardly have a living, etc.' So the price dropped gradually, but it would still be too high. At a stage we had to stop negotiations to demonstrate that we had given up. Finally, the price settled on 7,000 Rubles."

Q: Does this mean that the sentence was linked to the price?

"No, no. For the 20,000 he still would get three years, not less. The only difference was later, during imprisonment, that we could not afford to supply him money for better food, better clothing, or to better the type of labour he was designated to."

Q: How was the money raised?

"Father got some and mother's brothers gave some. Each brother gave about 25% and we had altogether about 90% of the sum. The 10% missing we got from Mother's nephew (her brother's son). After father's release he gave them gradually back the money."

2. CRISIS PRONENESS IN DIFFERENT ECONOMIC SECTORS

Four of the six cases relate to events having to do with stores and this is no coincidence. My impression is that crises in distribution are far more common than in manufacturing or in personal service occupations. Thus, for instance, the biscuit factory, over a period of ten years, was involved in only two crises, while the village general store was involved in three major crises within two and a half years. In the town store there were two or three crises annually.

2.1 Stores

If one looks at the way stores operate, four reasons emerge as paramount in explaining why these crises should be so frequent.

The primary reason why stores are so liable to instability is that illicit merchandise often tends to be purchased via ad hoc transactions: a storekeeper must grasp at a good deal whenever he gets the chance - hence the source of his goods is not always clear, the agents that have dealt with the purchase at different points along its route are not necessarily known and the quality, if it is sold by sample, may not be homogenous. These uncertainties involve danger and finally there is always the possibility that goods are 'hot' and that officials are in close pursuit or that agrieved members of the public might complain directly to the authorities about quality or overcharging.

The following is an example of typical ad hoc buying. The informant is the son of a small-scale merchant, who was a student at the time:

> "I went to Riga for what was a social event to meet some friends from the university and naturally I kept my eyes open to see if I could get anything for my father. On my way I passed through the town's big department store and I noticed a girl from the faculty working in the shoe department. She was earning some money during the vacation. I asked her if there was anything interesting to buy and she replied that yes, as a matter of fact they had just got a shipment of Hungarian leather shoes. She asked if I would like a pair and I said 'why not make it half a dozen?' I knew that in Georgia these would fetch a good price. The girl

said she could probably fix me the half dozen and she did and I collected them later. I passed her a few Rubles for her help.

"Next I wandered around the local market just to browse around and see what I would do next. There I noticed a Georgian who looked to me to be buying and selling: you can always identify a Georgian by his appearance and the manner of his speech. And on foreign ground one Georgian is as a brother to another. So I approached him and asked if he would be interested in the shoes. We agreed on a deal. He gave me 5 Rubles extra on each pair and so I made a modest profit of 30 Rubles.[31] It's not a lot, but it was OK for the circumstances and it gave me some pocket money for my vacation. I suppose that in many ways this was a risky thing to do. I didn't really know the girl or the man in the market and carrying out a parcel of six pairs of shoes was suspicious in itself."

A second built-in weakness for store managements is that a good deal of their illegal activity is carried out on an ad hoc basis. Though most stores possess a regular clientele, many of their customers are unknown. Nonetheless, when selling illegal goods an attempt is invariably made to verify their credibility. A storekeeper told me:

"As a rule, you would sell a product which is in much demand only to someone you know." And what if the demand comes from a stranger? "Then I would probaly not deny I got the goods but I would say I haven't got them right now: 'come tomorrow and we'll see.' In the meantime I check the references."

But one cannot totally avoid selling to strangers or persons whose credibility has not been thoroughly checked. And sometimes it is a refusal which causes trouble for the storekeeper:

"A wife of a highly ranked official entered a shop in Kutaisi which was operated by a friend of mine. She wanted to buy a TV set of a certain make and type that was in great demand. She was refused because no one knew her and in any case how was it that a woman should be buying an item like that? This refusal, however,

was a bad mistake. Had her husband come, then of course this mistake would have been avoided.

"She was upset because she'd seen the set she wanted on the display - but she was told it had already been sold. She was annoyed and after an argument she went off. Then of course she complained to her husband. The first thing next morning the Chief of Police was in the store: an official inquiry was on its way to look into the whole question of the supplies and purchases of TV's."

A further source of instability derives from the consumer-conscious customer against whom there can never be good enough preventive counter-measures. This type of person, whom Lampert (1982) calls 'a whistle-blower' is to be found everywhere and Soviet Georgia is no exception. The following is recounted by a village store manager:

> "One day a man bought a sweater from me and then he went straight to the village police and issued a complaint because he believed I'd charged him above the set price. The policeman was regularly receiving money from me, so he told him: 'leave the purchase with me and I'll call the store manager and ask for his explanation.' But the customer meant to be difficult - he didn't want to leave the sweater because he realized that the sweater, together with its labelling, was the basis of his evidence and he didn't trust the policeman. So he took his sweater away with him. A few days later he came back again to inquire about the complaint. He insisted on carrying it through. It was only by doing a lot of work to find out if we knew anyone who could exert a lever against him that we managed to stop him. Luckily the policeman had a friend of a friend who was owed a big favour by this troublemaker, and he stopped it going further."

On another occasion the same village storekeeper was approached by his old school master with what he called a friendly warning: "you were my pupil and that is why I am warning you: when I buy a box of Prima cigarettes I expect to get one Kopek change from a coin of 15."

The price of the box was 14 Kopeks and it is considered an insult in Georgian values, to give back a mere 1 Kopek piece as change. It is unheard of to ask for such a small coin. Mars, in his trip to Georgia, in 1982, observed that one would never give the exact 5 Kopeks to stand on a street weighing machine "they always gave extra - often as much as three times the official price and they never expected to receive change" (personal communication). And yet, by law, change should always be given, which again increases the vulnerability of shop keepers who are the fulcrum point of colluded-in and connived-at behaviour which is nonetheless officially illegal. In addition to the major vulnerabilities described it should again be emphasized that storekeepers frequently have to act as the delivery agents for their own illegal goods. They therefore operate at the most vulnerable stage of the movement of goods.

It has already been noted in previous Chapters (5,6 and 7) that when compared with factory executives, storekeepers have a smaller and weaker network involved in their illicit affairs. Which is also an indication of their relative lack of prestige. And both factors together limit their ability to sustain crises when they arise - at least in comparison with their counterparts in production.

From the information I gathered it is interesting to note the unanimity expressed about storekeeping, especially smallscale storekeeping - and its risks. It seems, as in the West, to attract people who wish to aspire and 'improve their lot' but who appear to lack the extensive skills and the necessary contacts which yield the really large 'prizes' that can arise in distribution and certainly arise in production. This is perhaps why several of my informants had tried storekeeping at different times but had then changed to the less risky personal service occupations. As one told me:

"The first job I had was as a minor partner in a small country store. One day - luckily I was away in Tbilisi - there was a raid and the other two were arrested for overcharging on oil. We weren't making enough to head off the raid before it happened or to pay off the police afterwards, so they both went to jail. It was then I decided that the whole thing was too dangerous for me and that was when I decided to be a barber."

2.2 Factories

It is the nature of factory production that, it requires continuous uninterrupted and coordinated throughput of material and effort. That is why in production we do not find so much of ad hoc crises as is seen in distribution. I have already reviewed what production requires in terms of 'licensing fees' and 'hush money' which also take on the flavour of consistency and which result in regular bribes paid as 'salaries'. It is because of these necessities which are expressed in the multiplicity of interest by so many functionaries who necessarily have to act in coordination, that factories benefit from a relatively low threat of direct exposure. As the biscuit factory manager told his local **Komsomol** chief who had stumbled on his illicit production: "Do you realize how many people's (essentially illegal) livings are dependent on this factory? . . . (and) you really thought you could stop it!?"

At the end of the productive process - the sale of final products - factories again differ widely from stores. Since the Soviet economy is notorious for its lack of consumer goods, manufacturers operate in a sellers market. They are therefore pursued by retailers and are in a position to dictate their conditions of sale. And again, unlike stores, they are in a better position to be able to choose their customers. In the biscuit factory these were carefully chosen and comprised of no more than four stores who regularly received their products. In this way the relationship of the factory to its outlets was able to be based on long-range commitments.[32] For the storekeepers, however, biscuits were only one item on their shelves. Whereas the biscuit factory could limit its risks to servicing only four regular outlets, the typical store was involved with several (non-fixed) suppliers.

Crises, however, do occur with factories as with stores, not only because of a malfunctioning of 'safeguards' (see later) but because no matter how far a factory management is able to safeguard its own procedures, it is still nonetheless vulnerable to breakdowns in control that occur outside its boundaries. Such was the case with the labels printing workshop (Account IV) that serviced the biscuit factory and which came under threat of official intervention. These are

always likely to spill over and contaminate other concerns with which they have dealings as in the case of a factory which manufactured furniture:

"Our troubles started when one of our managers, who was also a partner to the illegal enterprise, committed suicide. The circumstances were rather mysterious and they are still unclear today.

"The tragedy happened in another district of Georgia and at the beginning there were even suspicions of murder. When the police investigators came from the other district to tell the bad news to the widow, they interrogated her about potential suspects. She started to talk about everything she knew - all about his - and our - business. She must have been in a state of shock otherwise she would have had more sense but she told them a mass of very delicate information - far more than she ought to have known in the first place.

"Since the investigators came from a different district, they had a 'monopoly' over the crime because it had happened in their area. And worse - they had documented evidence, which was very incriminating so there was not much we could do except pay. And because they weren't local, our contacts weren't able to reach them. This meant we had to go up very high on our side to reach a high level on their side, to get them off our necks."

Q: Did you succeed?

"Oh yes, we succeeded all right."

Q: How much did it cost?

"A lot of money!"

Q: Alot of money means thousands of Rubles?

"In such circumstances thousands of Rubles are not sufficent to silence the case."

He refused to answer further questions. I have, however, heard of instances where the authorities who have stumbled on cases of illegal production have - as the price of their silence - insisted on becoming partners in the business.[33] This appears from accounts to apply to different levels of officialdom from road patrolmen to the most senior officials.

There are therefore two basic differences in the economic conditions that face stores and factories, and which affect both legitimate and illicit activity. Firstly, as in the West, the pressure on factories is to ensure that they generate throughput as consistently as they can, whereas stores experience a much greater proneness to ad hoc responses. But linked to this factor is the specificity of the Soviet economic system with its scarcity of consumer goods which gives such disproportionate power to the producer at the expense of the retailer.

It is for these reasons then that we can understand why the Georgain storekeeper spends a good deal of his time away from his store. As one storekeeper put it:

> "I had to spend more than four days a week chasing goods - you have to go to this factory and to that factory, to see this man and that man - you have really to put yourself out to survive."

It is a position in marked contrast to that of the Western storekeeper who, operating in an economy of surplus spends all his time behind his counter and is visited by supplicant representatives of the manufacturers. If, as Nove has observed (1977) "In an economy of scarcity, the producer is King" - then we can also better understand the converse - that in an economy of surplus it is the retailer who is King. But it is in understanding what lies behind these differences that we can come to appreciate the profound implications they offer to our understanding of the working of Soviet Georgia's second economy. This point will be further explored in the last chapter.

2.3 Personal Services

Illegal activities in the personal service occupations - that is barbers, tailors, shoe repairers, hatters, samll cafe-bar owners and waiters - are very limited and are, of course, differently organized than is the case in either stores or factories. By and large these are one-person organizations, even if people work in cooperatives and share a common space. Since the work is individual and transactions, in particular unofficial ones, are strictly person-to-person, they are predominantly carried on with regular clients - which limits the risk. As a result, personal service crises are practically non-existent (except on the rare occasions when a delivery of unsolicited raw materials is detected, as in Case IV). A barber explains:

> "We got always a generous tip from our customers, which of course we were not supposed to get, and in any case we would not record it, and some of the clients - the regular ones - we would not record at all. This was the way to fiddle. But there was no 'fear'. Because, after all, what is the offence? It's pennies we are talking about. Suppose, in the very unlikely event that you are caught on the spot, who is going to see you? Who will report you? But say that somebody sees that you take money and don't register it and then reports you. So what will they do? The worst could be that you might be reprimanded by the cooperative headquarters and that would be the worst."

Personal services therefore are relatively secure. In addition, however, personal service relationships are highly valued in a personalized face-to-face, macho-dominated culture such as the Georgian. In this context the bond between a customer and his personal servant is constant and stronger than in a more faceless, bureaucratic culture where each transaction is seen as 'one-off' rather than as part of a flow. This element also makes for greater security.

It is for these reasons of personal security then that, though total rewards (Mars, 1982) from personal service can be high, they do not tend to attract people with strong personal support networks. People with high network scores are able to take jobs that involve greater risks and which in this culture attract greater prestige (a point discussed more fully in Chapter 4).

3. THE WORKINGS OF TROUBLESHOOTERS

3.1 'Routine' and 'Irregular' Crises

There are countless reasons for crises. This is true in any system and the Soviet second economy, as a system, is no exception. The variety is well expressed in the presented accounts:

(i) attempted blackmail,
(ii) excessive risk-taking,
(iii) revenge from an insider,
(iv) collapse of a support system,
(v) an unusual customer complaint,
(vi) betrayal by a partner.

These and others can be classified into 'routine' and 'irregular' crises.

I would define 'routine crises' as those one might reasonably anticipate, taking into account the normal vulnerabilities of a particular 'business'[34] as discussed in the previous section. These crises are typically countered by routine safeguards. It is the task of these safeguarders to whom money is paid as either 'licensing fees'[35] or as 'hush money'[35] to protect the enterprise. Thus Account I, the Blackmail Attempt, is a typical routine customer complaint case albeit with a peculiar edge. Most shops get several such complaints a year. The storekeeper expected 'his policeman' as he termed it, to deal with the affair: this was clearly his responsibility for which he had been regularly paid.

This role of the paid official as the expected diffuser of routine crises emerged even more clearly in the case already discussed of the customer who was persistent with his complaint. The village storekeeper explains:

"After the customer kept calling at the police station about his complaint, 'my policeman' came to see me: 'The situation is getting serious. He won't drop it. I suggest you have a word with him: apologize or explain yourself and ask him to cancel it.'

"I didn't like his advice. Firstly, I knew this character - he wasn't the type to be persuaded by soft words and secondly, I had my pride. I was quite angry and I said to him: 'You get paid - you find a way out.' And so it was. The policeman found out that one of his relatives - a cousin - was a pal of that stubborn customer. The cousin then had a word with his pal and said that I had once done him a big favour (which was not true) and he therefore owes me a favour in return. Obviously he couldn't have refused a request coming from a close friend."

'Irregular' crises are much more serious for the illegal entrepreneur. Account V is typical of this type of case. While it might appear to be basically a common customer complaint, what makes it irregular is that the complaint is not lodged with the local police - where it could be routinized but with the local paper - whose treatment was essentially unpredictable. 'Routine' crises, on the other hand, would often not be accounted crises at all, simply because they could be resolved before evolving into a problem. Routine checks would never be considered a threat - only if they are instigated by higher authorities outside of the region (Account II). Personal networks are usually too localized to be effective in dealing with outsiders.

Three of the accounts tell of the collapse of (or a serious threat to) the illicit enterprise (Account III, IV and VI). This, naturally, is a real catastrophe, almost a force majeure. Since it is a fundamental characteristic of Georgian culture to consider friendship as a sacred axiom (as outlined in Chapter 4 on Core Values), there is always a close association between business relations and social life: they are practically fused (see Chapter 5 on Networks and The Feast). Any undermining of this basic assumption is therefore extremely threatening, so much so that people find it difficult to accept such treachery. The storekeeper in Account III put it in these words " . . . I recalled that indeed he (the traitor) . . . had the evidence required to incriminate me - but who would ever believe anyone would have acted like that? I never even considered it as a possibility."

3.2 The Workings of the Network

It is in the 'irregular' crises that the operation of networks are made manifest. It is in these circumstances that all resources are mobilized to minimize the perils of exposure. It is in this sense that the network becomes a 'safety net' which softens the fall.

(a) Mobilization

To respond effectively to an irregular crisis, one often needs a massive activation of people and material resources. Account II tells the story of the successful resolution of an irregular crisis which involved in its different stages several scores of people. My informant estimated that some sixty to seventy people had finally to be mobilized before it was possible to overcome the last crucial phase of the crisis - that is to achieve the subject's release. All this had to take place in a total time span of less than 24 hours and in three different and distant geographical regions. Of course, not all who were involved were directly related to the subject. Some did not know him - or had even heard of him - before their assistance was required, while others were not even told of his name: it was not relevant. They were asked to help by someone to whom they had a commitment and that was sufficient (see Chapter 5 on the nature of transactions in this respect). These partisans were literally 'friends of friends' (Boissevain, 1978) activated by the 'first order' and 'second order' zones of a network - that is - by an ego's core family and his close friends, respectively.

Such a complex degree of mobilization is usually required for three purposes:

(i) Monitoring - to closely follow developments in order to identify and locate the right people - those who are influential and could help out by approaching authorities or who can point out whom to approach and how (Accounts II and VI in particular). Sometimes other skills are needed: muscles (Account IV), for instance.

(ii) Prevention - by disposing of any incriminating traces: mobilizing unsolicited goods (Account II) or in hiding a large amount of paper (Account IV).

(iii) Fund-Raising - especially when a large sum of money has to be raised in a short time. Thus money was demanded on the spot (Account III) - because the person involved was not respectable enough to be trusted (he was too young) or money was needed urgently (Account II) to allow an early release, which again was crucial to prevent further negative results - (in this particular case the detection of unsolicited goods).

(b) Staffing

Monitoring, prevention and fund-raising - the three main requirements at a time of crisis may need different skills for their successful accomplishment. The primary task, therefore, is to find the right people for each job in the given circumstances. This means the use of these close contacts at the core of the network[36] as a pool of talent and as links, which by careful screening of total resources, can locate the most suitable.[37] It is of particular importance to determine who will take on the role of principal negotiator. This is a key position which naturally effects the future and personal safety of the person concerned and necessarily also the well-being of his closest family. The negotiator will be responsible for negotiating the sum of money involved and the terms of its exchange. This nomination reflects upon a person's standing amongst his family and his friends. It is not surprising for the most senior member of the family to take up the mission (in Account VI this is the eldest brother) but more important are relevant personal links and know how (therefore in Account II this is the subject's wife's cousin; in the case of the village store customer complaint mentioned earlier, the village policeman's cousin proved the best choice.

(c) The Time Dimension

Immediacy is the first general rule in resolving a crisis. Here we find an implicit use of the 'need to know' principle. The less people who know - the greater the possibility of containing and limiting a crisis' impact. This is why the store manager (Account V) gave up once he knew a customer's complaint had become public knowledge through publication in the local paper.

A second significance of time acknowledges that here it literally means money. The more time a case takes, the greater the number of officials become involved thus incurring more claims for stakes in solving the problem. And time usually means that the case will go higher - the further it proceeds through the hierarchy the dearer the eventual settlement becomes. This is why the policeman and the store-keeper (Account III) reached a compromise and agreed to settle 'on the spot'. Both knew that each would stand to benefit more by limiting the case than by referring it upwards. As the latter argued " . . . (if you) book me . . . what will you have gained? Money you won't get and you certainly won't receive a medal." This too was one of the reasons for speeding up the release of the storekeeper (Account II) apparently at the expense of further bargaining. Both parties to such transactions have an interest in reaching a mutual settlement. And for both, time is of the essence.

Thirdly, the more official the inquiry - the higher the likelihood of unforseeable implications and again time is a crucial factor. This is because the longer a case is sub judice the more incriminating are the facts that might eventually emerge (Account II), and the possibility of an ever-widening circle of people who might be incriminated (Accounts III and IV). Once bureaucratic procedures start, it becomes progressively more difficult to stop them. "By the time they found him (my father) it was too late to get him out without a sentence because though the local police were involved, the regional police had already been informed" (Account VI).

The aim then is always to stop procedures as soon as possible. It would appear to be in none of the actors interests to do otherwise.

A Final Note

By studying the way people operate under stess, we are allowed to observe the workings of the social matrix in action. We can thus observe relations which might normally be latent or inactive or perhaps too marginal to become manifest at normal times. In the Georgian context an understanding of how people react to crises proves invaluable for understanding the workings and the efficiency of a social network. Crises activate networks by putting them to a real test: a network is only as good as its performance in a crisis. Whereas the feasting, fraternal union role of the network reflects its normal everyday manifestation, its true worth can be revealed only under stress. As such, the analysis of crises can provide a unique insight into the workings of a second economy - a constant source of crises in a command economy.

NOTES

CHAPTER 8

1. **Dzemobili** in Georgian: the highest level of friendship, literally meaning 'like brother' (see Chapter 4).

2. **Rko** - acorn, pig food which grows on trees.

3. **Petvee** - kind of dough, kept in cellars.

4. The extended families in the survey included Ego's brethren and their spouses, his wife's family: parents, brethren and spouses; their children and spouses; and both Ego and his wife's uncles and aunts - that is, each father's and mother's brethren. Elam (1974) also mentions this phenomenon: "In our visits we often hear that relatives of the family questioned delayed their migration because one of them was in jail for economic crime and they waited until his sentence was finished" (p.7). And Lahav (1976) notes: "I spoke to scores of Georgians in Tel-Aviv and Lod, in Ramla and Ashdod, in Kiryat-Malakhi and Kiron. I almost did not meet a family that did not have a 'representative' in jail. That person was himself in prison, another has a brother who is still in; a certain Mr. X delayed his Aliyah because he was a prisoner when his family emigrated and a particular Mr. Y was waiting for a cousin, who had only recently been released. "The jail is part of the rules of the game" they say (24.9.76).

5. This raises once again the question of how representative is the Jewish sample to the general population of Soviet Georgia. This is discussed in Chapter 3 on Jews in Georgia, in particular the section on their place in the second economy.

6. He uses the Russian slang for illegal economic activity: **Levi**, which literally means 'left' as against the 'right', which refers to the official economy.

7. Elam, who had no particular interest in the second economy nor in life in Georgia, mentions this phenomenon of FEAR several time (1973, 1974, 1980) and always as an abstract noun, always putting it in inverted commas, as if wishing to emphasize a special meaning.

8. This is a rather common method of by-passing the local authorities.

9. The Economic Police.

10. A member of the Communist Youth.

11. The loans were given under no guarantee without any condition or specified time for returning. It is done under the understanding that a person's honour commits him and his family to see to it that the loans are returned as soon as possible. In this particular case it took 18 months to return the lot. (On the informal organization of traders in the market see Chapter 7).

12. Thus, not taking advantage of the person's plight.

13. Allocation Centre.

14. In charge of Allocations.

15. The informant refers to the region where he lived and worked.

16. The Allocation Centre officials are most powerful and can dictate the movement of not only illicit but also official goods. For a detailed discussion see Chapter 7 on The Store.

17. Dogs are a common nickname for policemen in Georgia among operators in the second economy. When I enquired about the doggish qualities of this attribute, I was told that it referred to the fact that once they get hold of somebody, they do not easily let go.

18. Bill of Lading.

19. It is expected on such occasions to take the blame wholly on oneself, so as not to implicate more. It is also better for juridical reasons (see discussions later).

20. This equals roughly two months salary of a police officer.

21. Meaning: You are not yet a man - you don't have honour and hence you cannot have a word of honour.

22. In Hebrew, this expression means that one should expect troubles in the future.

23. This is important, since to give somebody away is very unmanly behaviour. But if one is drunk he is probably less accountable for his words. Which is not less important for his self-esteem than for public opinion.

24. The biscuit factory produced one biscuit illegally to every four produced legally.

25. I cannot, of course, quote the letter word for word, but I tried to be as accurate as the undetectibility of my sources would allow.

26. Though this account dates back farther than all other accounts, it seems to have stayed a very vivid memory, because of the event's rather traumatic impact. Unlike other occasions I was able here to ask questions which reveal some of the underlying dynamics of crises.

27. **Dsemobili** - like brother.

28. **Megobari** - a very close friend.

29. **Prokurator** - Public Prosecutor.

30. Though the events happened in the fifties, before the devaluation of the Ruble, the figures are given in current, new Rubles.

31. Equals roughly one week's average formal income (plus bonus) for the said period. (The event took place in 1968 and the average monthly income for that year was 135 Rubles: Gruzinskaya SSR v Tsifrakh 1975 (1976)).

32. This was true also where illegal production output was much higher than in the biscuit factory and even where goods passed through mediating agencies before reaching the stores.

33. Though mainly in the sense of staying on the monthly payroll.

34. The common name for any illicit profit-making activity in Georgia (but this is also common official Soviet jargon: Lexicon of the Soviet Language, 1980).

35. The terms are discussed in Chapter 6 on The Factory.

36. First and second order zones or personal and intimate zones - to use established concepts (Boissevain, 1978).

37. The closest event in which I participated and observed this kind of behaviour (Phase 1 of the research) was a crisis, with a similar urgency and much importance but of a different kind. Less than 24 hours before it was scheduled, I heard that in the neighbouring town of Ashdod, Israeli TV (which only has one channel and therefore a major impact) were presenting a live documentary on the local Georgian community. I immediately contacted my closest informants, who again contacted their closest friends and we held an emergency meeting with the aim of sending an Ashkelonian representative along to express our opinion in the film. The series of actions taken was similar to those discussed here. Participants screened the available resources, located key-figures and used them to get through to relevant functionaries in the media and local government.

PART IV

CONCLUSIONS

CHAPTER 9

THE SECOND ECONOMY IN ITS SOCIAL AND POLITICAL CONTEXTS

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1. THE SECOND ECONOMY: VALUES AND STRUCTURES

1.1 The Second Economy as a Societal Phenomenon

The interdependencies between a people's social needs, expressed in their culture's core values; their political needs expressed in their anti-Russian attitudes and a unique social organization epitomized in their nepotistic networks, have all helped to sustain Georgia's vibrant second economy. This second economy caters to, and is a product of, the competitive urge for demonstrative honour grading that is readily expressed in an insatiable demand for scarce consumer goods. The same competitive - and therefore essentially fragmentary - pressures allow expressions of political dissidence to find fulfilment in 'screwing the system' and thus it provides an alternative to political opposition. Georgians rate low (next only to the Russians themselves) in the number of political prisoners held per thousand of population (Lubarsky, 1979 in Wiles, 1980). And traditional social institutions such as the networks - have come to take on new roles in confronting, negating and by-passing the rigours of centrally planned controls.

The more that attempts are made to impose central controls the more it appears that networks adapt to mobilize and assert opposition. This can be seen, for instance, in the negation of attempts by the central authorities to channel the distribution of particularly scarce consumer goods - such as cars - which are allocated through places of work. Networks have come to focus their attention on the workplace and to utilize its delegated control over such allocations for the benefit of personal network memberships. In this way network influence can extend well beyond the boundary of a workplace.

It is as if a closed circle has been drawn around the territory of Soviet Georgia, within which its people are compelled to adhere to different rules than those the Moscow authorities expect, or at least plan for. These difficulties that face the central Soviet authorities, derive in part from their ideological commitment to seeing the production and distribution of goods as somehow separated from their cultural bases. From Moscow's standpoint cultural differences are peripheral, essentially transitory and subordinate to the concerns of the planning centre. Seen from Georgia the reverse applies.

In its attempts to achieve control the Soviet centre has developed a complex system of independent check-points which should, in principle, be able to combat corruption. It is what Rose-Ackerman (1978) and Montias and Rose-Ackerman (1980) have called a fragmented type of hierarchy, one where separate controls operate independently from each other. But these controls, though locally oriented, are still set within an overall bureaucratic frame. In Soviet Georgia I found that the personal support network has readily adapted itself to combat such hierarchic fragmentation, just as it has in effecting the realloction of goods through the workplace. It does both - as I have shown - by extending its contacts to overcome independent control points. And in doing this it not only negates their power but it also captures their personnel and hence the power awarded to them as well.

1.2 Soviet and Georgian Values

The fact that a bureaucratic homogeneity can be planned to operate with minimal reference to cultural variations should not, however, mean that <u>our</u> understanding of reality is well served by ignoring the variability of cultural bases within the Soviet Union. When we find a particularly divergent cultural base such as that offered us from Georgia, then the distinction between the Soviet orthodoxy of what should be, and the 'on the ground' reality of what is, appears at its most pronounced. If we look at the official Soviet view of work - that is, of how a Soviet bureaucracy should run (eg: Mahoney, 1982; Nachmias and Rosenbloom, 1978; Weber, 1947) - and the values effectively associated with work, we can further appreciate the gulf of this distinction between a Soviet centre and the periphery that is Georgia.

Table 1: Work and Work Values: Formal Soviet Work Values vs. the Georgian Value System

Principle	Formal Soviet Values	Georgian Values
1	Separation and insulation of private life from work life.	There is a fusion of work life and private life.
1(a)	Since private and work lives are conceptually separate they are not rated vis-a-vis each other nor seen as competing for personal resources.	Since private and work lives are fused within one conceptual system the resources from one can be used in the service of the other. Since private concerns are dominant, work roles and resources are therefore subordinate to private concerns.
2	Recruitment on impartial universalistic merit.	Nepotism as a moral duty.
3	Hierarchical organization: directives go down; information flows up.	Patron-client networks: directives come from where the real power is invested; information flows along network lines.
3(a)	Officials are responsible to the official above them and for the work of subordinates.	Officials are primarily responsible to the claims of obligation and reciprocity imposed by network relationships.
3(b)	Work roles and relationships are unambiguously defined.	Work roles and relationships are part of a total role set (work is not set apart from the rest of life).
4	Decisions are based on rules and analogies.	Decisions are submitted to honour commitments.
5	Every role is replaceable.	Every role holder is network-bounded.

From the official Soviet standpoint office holders are essentially replaceable units set within one overall bureaucracy where decisions are subject to hierarchical control, where rewards are allocated from above and where expectations are clearly defined. In this world, officials are recruited on impartial, universalistic criteria, a person's overall rewards from work are distributed according to office and private and work concerns are conceptually separate.

The Georgian way however is worlds apart. Work is an integral part of one's life and a person is expected to use his powers in the service of his 'significant others'. The workplace is essentially conceived as a resource available to the members of one's personal support network. Loyalties are partial and dominated by the office holder's obligations. Indeed his whole career starting with the choice of occupations, through recruitment to promotion,is determined along very different criteria from what the Moscow authorities would expect.

The key element is the network and the relationships between the strength of an individual's network and the kind of job he is likely to be engaged in (with its associated rewards and inherent risks) is presented in Table 2.

1.3 Occupational Stratification, Georgian Style

Table 2 demonstrates that if we look at representative occupations in terms of their related networks and the risks involved in them, we find a close association between occupations and personal support networks: a small and/or weak network enables an individual to operate only in a low risk occupation. A strong and/or extended network allows for the taking of bigger risks and allows entry into more prestigious occupations. Earnings, as would be expected, are linked to risk, and risks and earnings are both linked to honour - all derive from the effectiveness of networks.[1]

Table 2: Representative Occupations and their Related Network Cores, Risks and Income

OCCUPATIONS		NETWORK CORES*		RISK INVOLVED			MONTHLY INCOME
		Occupational Weight	Total Score	Low	Med	High	Formal & Informal Incl.
GROUP I Personal Services & Shop-Floor Workers	(a) Barber	1+1	2	✓			400-600R
	(b) Shoemaker/ Repairer	1+1+1+2	5	✓			400-600R
	(c) Hatter	1+1+1+1	4	✓			300-500R
	(d) Small Snack-bar	2+1+1+1+ 1+1+1	8	✓			300-400R
	(e) Blue-Collar	1+2+1+1+ 1+1+1+2+1	11	✓			250R
		Average	6.0				
GROUP II Middlemen & Small Business Operators	(f) Shop Assistant	1+2+2+1+ 1+2+1	10		✓		300-500R
	(g) Shoemaker: Foreman & Middleman	2+1+1+1+ 2+1+1+2+1	12	✓			600-900R
	(h) Taxi Driver	3+1+1+3+ 2+3+1+1	15		✓		800-1000R
	(i) Small Shop-Keeper	2+1+1+1+ 1+1+1	8		✓		500-800R
		Average	11.25				
GROUP III Profes-sional Executives	(j) Supermarket Manager	3+3+3+3+ 3+3+1+1	20			✓	2000-2500R
	(k) Small Factory Executive	3+1+3+3+ 3+3	16			✓	1000-2000R
	(l) Medium Factory Executive	2+2+3	7			✓	1000-1500R
	(m) Big Factory Executive	3+3+1+3+ 3+3+3	19			✓	2000-10000R
	(n) Import Ware-House Executive	3+2+1+1+ 1+1	9			✓	3000-5000R
	(o) Physician (GP)	1+3+3+3+ 3+3	16	✓			Starter 1000R Specialist up to 15000R
		Average	14.50				

* Network cores are computed here from males within the nuclear families of origin and marriage. We thus include father of Ego, father of wife, brothers, sisters' husbands and wife's brothers. Their 'weight' is then calculated on the basis of a rating of their occupation, classified into: personal services/ shop floor labour = 1 point; middlemen/small businessmen = 2 points; professional/executives = 3 points. Only social active persons are considered. The deceased and young are excluded.

Though network cores are kinship based their extension depends upon peer group contact.

Table 2 also demonstrates that those economists who have relied on official Soviet statistics are particularly misplaced when drawing interpretations about occupational structures, reward systems and the importance for instance of bonuses as part of the managerial package (eg. Granick, 1972). I would argue that for Georgia at least, no assumptions in any of these areas can be considered valid if they draw upon official figures - and even less when such figures are homogenized as part of discussions about 'the Soviet Manager' or 'the Soviet Worker' (eg: Lane and O'Dell, 1978), offered irrespective of their cultural settings within the Soviet Union.

What is required then, is a fresh look at the social bases of occupations within the Soviet Union, one which takes account of cultural variation. In the Georgian case at least, it would appear that though success in recruitment, selection, promotion and career development might well have some dependence on necessary universalistic criteria, these would not of themselves be sufficient in any of these areas. Network criteria appear to be of overriding importance in determining the role, place and rewards of an individual in Georgia's occupational structure. Maintaining and developing this resource demands the investment of social and material resources. The necessary skills of a Georgian manager are therefore, differently, ordered than one would expect from his counterpart in the West and perhaps from those of managers in other Soviet Republics.

2. THE SECOND ECONOMY: POINTS OF VIEW

2.1 Two 'Economies' or One?

The common approach to the study of the second economy, has been - as its name suggests - to differentiate between the formal, 'first' economy and its subsidiary, the informal or 'second' economy.

This approach is useful for economists who can then distinguish between official and unofficial data. But it would appear to require at least adequate assessments of the quantities of both kinds of data, which is surely problematic in the case of the Soviet Union where all figures are notoriously suspect. However, the underlying assumptions underpinning this approach may well lead to dangerous conclusions - in the assumption, for instance of a distinction between two kinds of economic behaviours when no such distinction exists. Katsenlinboigen (1978, 1982) for example writes of the Soviet system's 'pathology' and uses metaphors such as 'schizophrenic' when discussing the present state of Soviet economic performance. From here it is only a short path to suggest that the Soviet system faces the option either to 'reform[2] or to die' as Meney (1982) argues. The danger from this approach lies firstly, in the suggestion that there can be 'right' and 'wrong' in an economy - that the right is functional to the system and that the wrong is dysfunctional - and further, that one can - and should - right the wrong in order to make the system become 'healthier' and thereby more efficient. However, <u>economic</u> behaviour is economic <u>behaviour</u> which is culture bound and culture rooted. People do not differentiate between first and second, formal and informal, official and unofficial behaviour, in the same way as economists do. The clear message this study bears is the existence of an interactive bond between all economic activities, at least as it concerns the people who operate in the system. Even the associated dangers of imprisonment, for that matter, are perceived as part and parcel of one indivisible reality; of risk conceived as an unavoidable element of cost.

It is not, however, only through the eyes of actors 'on the ground' that this inadequate dualism cannot be sustained. The Soviet system itself does not sustain a distinction between a 'first' and a 'second' economy, or a 'normal' and an 'abnormal', one. The fact is that the

system works as an integrated whole and has done so for a long time. Disruptions and malfunctions, may on the one hand cause serious deformations to some overall and distant plan but viewed from 'on the ground', on the other hand, they may well be evidence of a vigorous and vigilant system, which has the energy and capacity to accommodate to demand, adapt production and transform supply. So we return to the observer's point of view - where he stands determines what it is he sees. What he sees - and what we have seen through his eyes - is a level of output and a process of distribution that uses 'official' labour on official machinery in official factories - to produce both official and unofficial produce and then to distribute it through official outlets. The people who make and distribute this produce gain overall incomes that can be divided if we wish, into formal and informal components. But they themselves make no such distinctions. Whether producers, distributors or consumers they are involved in one overall set of activities.

The point that arises from a discussion of the duality or otherwise of economic behaviour is surely that some aspects of economic activity are always, as of necessity, more covert than are others and that some economies - just as some organizations - have a greater or lesser propensity towards concealment. The danger has been that economists interested in the Soviet Union have, until recently, tended to ignore these activities which has seriously distorted their observations and their conclusions. And, having become aware of the informal, the danger now lies in their tendency to treat it as a separate and distinct type of behaviour.

2.2 The Size and Possible Scope of the Second Economy

A limitation any micro-oriented, anthropologically based study faces is in its possibility to generalize. The ever intriguing question of how applicable findings are, applies to the present study as well. Can we estimate the extent of Soviet Georgia's second economy? Well, not directly, but there are certainly some indicators which could, at least, hint at some plausible answers.

To start with, the involvement in the second economy seems to encompass practically every corner of life: it is unavoidable - that is, if you are a Georgian. Schroeder-Greenslade's (1980) statement that ". . . regarding Transcaucasia, my strong impression is that illegal activities there are primarily redistributive: favoured groups . . . are pervasively engaged in extracting money and goods from less favoured groups" (p.17) does not seem to fit with the impressions generated from this research. It is not only that the national cake is differently divided, but firstly, the 'real' cake is much bigger than the one which appears in the formal figures: and secondly, more people have a share in it than might be envisaged by reading the daily press or even in walking the streets of Tbilisi.

Though the people of Georgia would appear to have an insatiable demand for consumer goods and though there is some evidence that unofficial supply expands to meet it (as evidenced for instance, in the quick and steady expansion of road freight as compared to both rail and air),[3] the possibility of the second economy being for ever able to effectively expand must be limited. First and foremost an effective expansion in supply depends upon an output that benefits from economies of scale. From the case studies presented here (particularly in Chapter 6) it appears that increases in supply are necessarily limited, however, not because of a lack of effective demand but because distribution is reduced to a radius that is bounded by the effectiveness of personal networks. It is this distributional limit that limits production to safe levels. This perhaps explains why Mars in 1982, was able to observe a factory in Tbilisi that produced a whole range of different consumer items, each of which he considered was being produced at well below their optimum output levels (personal communication). By producing a multiplicity of small outputs for local markets they maximized security but at the cost of operating without the benefits of scale.

Postscript

I believe I can now go some way in explaining why the Georgian Second Economy should be larger in real terms than the second economies of other Soviet type republics. To be sure other Soviet type economies display the same kind of second economy practices. They too depend for much of their informal economic activity on 'friends of friends'. But it is the degree to which networks in Georgia are institutionalized as a means of linking individuals through trust based honour commitments that forms the cornerstone of Georgia's second economy. The difference may appear to be merely one of degree but it is based on a fundamental cultural distinction.

I hope to have demonstrated how restropective reconstruction can work. How a concern with the central interest of anthropology - the idea of culture, the application of the concept of personal support network and the alliance of these to the anthropological method of patient participant observation, can produce understanding of an economic system that would otherwise be unobtainable. Other Soviet type economies based on different cultural core values may well display high levels of second economy activity. Ofer and Vinokur (1979), for instance, suggest that this is the case in the Central Asian Republics - well known to be second only to Georgia in this respect. It is not sufficient, however, to consider merely the overall outcome of second economy activity. If this phenomenon is to be understood it must be examined in the context of its cultural setting. Recourse to the methods and concepts of anthropology are I believe, the way this can be achieved.

CHAPTER 9

1. Of course, things are somewhat more complicated and correlations between network cores and occupations would vary according to circumstances. While the general trend is clearly manifested in Table 2, there are notable exceptions. In case (e) the blue-collar worker was not able to take advantage of his relatively strong network, because he broke relations with them. Case (l) - our biscuit factory production line manager, was discussed before (Chapter 6); and case (n) is perhaps the most striking example of all. As an executive of a central warehouse in control of imported consumer goods he was placed in this position <u>because</u> he only possessed a weak network, thus ensuring his inability to abuse the powers entrusted to him.

2. What Berliner (1983) labelled the 'radical' model.

3. The flexibilities for illicit distribution by road are considerably higher than by either rail or air (see Chapter 7).

APPENDICES

QUESTIONNAIRES AND SURVEYS

1. Life History Questionnaire

2. Life in Georgia Questionnaire

3. Personal Details Questionnaire

4. Literature Survey

LIFE HISTORY QUESTIONNAIRE

PURPOSES:

1) To learn on Ego's familial ties.
2) To learn on Ego's and Family's occupations and wealth in Georgia.
3) To learn on Ego's engagements with gentiles.
4) To learn on some aspects of Ego's life and personality.
5) To learn on some social/economic aspects of Georgia.

Q = Question P = Purpose

P	Q	
1	1	Ego's familial chart: names, dates, places (see under separate page).
3	2	Was Ego known in his Christian or Hebrew name in Georgia? (a) C (b) H
2:4	3*	Education: Ego studied ..... years university/polytechnic in G ..... years in IS ..... years. Profession acquired .....
5:2	4*	Occupation: What did you live from? In chronological order:-
	A	(1) Occupation .....
		(2) From ..... to .....
		(3) Who referred you to this job (state relation, eg: cousin of mother; gentile friend)? .....
		(4) Why did you want this job? What made you like it? ....
		(5) How did you get it? Describe the procedure. (NOTE: Q3 = Q5 = Double Check) ....
		(6) Was it easy/difficult to get/fix? .....
		(7) If you changed the job why? ....

* If Ego was too young to develop career in Georgia, these items refer to parents.

B (1) - (7)
:
:
C (1) - (7)
:
:
:

5:2 5* Wife's education - as in Q.3

6* Wife's occupation: Did your wife work?
(a) Yes (b) No
If yes - in what ..... from ..... to .....
How did she get it? Describe the procedure .....
.....
Was it easy/difficult to obtain/fix?

1:2 7 Kinship occupations. Insert occupations in chart. Including R/P/S.

2:5 8 Income figure - monthly ..... Rubles (including formal and informal).

5 9 This figure is (a) average
(b) above average
(c) below average figure of income in this occupation carried out under similar circumstances. (If Ego refers to several occupations, repeat Q to each).

5 10 To the best of your knowledge, in your home village (town), how many .....% were like you in income; how many below .....% how many above .....%.

2 11 Housing of family. Number of rooms ..... and m^2 ..... of garden (land).

5 12 The dwelling was
(a) smaller
(b) bigger
(c) same as standard (normal).

* If Ego was too young to develop career in Georgia, these items refer to parents.

2:5 13 Did you:

A) Own the housing? -

(1) Inherited from (relation) .....

(2) Bought for ..... Rubles

(3) Built for ..... Rubles

B) Rent it for ..... Rubles Monthly?

3 14 Did you live in a particular Jewish neighbourhood; were most of your neighbours Jewish rather than gentiles?
(a) Yes (b) No

3 15 Ego's close friends (to include blood brotherhood and milk brotherhood)

How many? ..... How many of them gentiles? .....

	A) Jewish/Non-Jewish	B)	C)
	..... occupation		
R/P/S	..... place	How often met?	
	..... place IS		

3:4 16 Circumstances of making blood brotherhood and milk brotherhood .....

1 17 Engagement with family. Insert in kinship chart according to symbols

1:4 18 If you had to raise a large sum of money in G whom would you approach - in what priorities? Indicate relations.

A) B) C)

3:4 19 How often would you attend synagogue?
(a) Everyday
(b) Every Sabbath
(c) Only on holidays and special occasions

3 20 How often were you invited to gentile parties, celebrations, familial events?
(a) Once a month or more
(b) Every few months
(c) Once a year

2:4:5 21 If not mentioned earlier - have you or your family had any troubles with the authorities which resulted in an arrest or threatened arrest?

If yes - who was it? (relation) .....

When (approx. date) .....

Reasons and cicumstances .....

Who is to blame and motives .....

.....

CIRCUMSTANCES OF INTERVIEW

(a) Date, time and duration

(b) Mediator to interviewee

(c) Translator (1) No (2) Yes (who: relation)

(d) Location: refreshments? Who else was present

(e) Interviewee's acceptance of interview:

(1) Willing to assist; enthusiastic

(2) Willing but restricted; passive

(3) Suspicious; not cooperative

(4) Indifferent

(f) Reports on interviewee's credibility

(1) I knew him for .....

(2) I have had previous contacts with him .....

(3) The following recommended .....

KINSHIP CHART
(Example)

	Ego's Uncles & Aunts	Wife's Uncles & Aunts
	♂ 3, ♀ 2	♂ 2, ♀ 4
Occupations (Males):	Tailor, Hatter, Shoemaker	Trader, Trader

	Ego's Father	Mother	Wife's Father	Mother
Age:	65	61	58	52
Married:	1936		1940	
Place of Residence, G:	Kutaisi	Poti	Oni	Oni
Place of Residence, IS:	Dec'd (1966)	Ashdod	Ashdod	Ashdod
Occupation:	Tailor		Trader	

	Ego	Ego's Wife
Age:	46	41
Married:	1956	
Place of Residence, G:	Kutaisi	Oni
Place of Residence, IS:	Ashdod	Ashdod

	Ego's Bretheren	Wife's Bretheren
Age:	♂ 44, ♂ 38, ♀ 36	♀ 28, ♂ 33
Married:	1958, 1965, 1962	1970, -
Place of Residence, G:	Kutaisi (All)	Oni, Tbilisi
Place of Residence, IS:	Ashdod, Ashkelon, Lod	Ashdod, Jerusalem
Occupation:	Tailor, Tailor, N/A	N/A, Academic

Children

1. Itzhak ♂ 20
2. Hanna ♀ 16
3. Ilanna ♀ 15

Children's Espouse Family:	Itzhak's In-Laws
Place of Residence, G:	Kulashi
Place of Residence, IS:	Ashkelon

KEY

Wealth symbols:

R - richer than Ego; P - poorer than Ego; S - same as Ego.

Engagement Symbols in:

Georgia	(Israel)	
1	(A)	Would meet a person once a week or less.
2	(B)	Would .. . .. once a month or less.
3	(C)	Would .. . .. once every few months.
0	(O)	Would .. . .. once a year or less.

Gender Symbols: ♂ Male, ♀ Female.

Kinship Symbols: F - Father, M - Mother.

Location Symbols: G - Georgia, IS - Israel.

LIFE IN GEORGIA QUESTIONNAIRE

A Prize Winning Competition for 13-14 Year Olds

1. Life in Georgia and in Israel: compare relations between Jews and gentiles

   (a) i) Living amongst gentiles
   ii) Living amongst Jews (in Israel)

   (b) Economic (status) position in Georgia and in Israel

   (c) Customes in Georgia and Israel (eg: High Holidays)

2. What do I remember from Georgia?

   (a) Landscape (climate)

   (b) People

   (c) A certain event which I particularly recall

3. Life in Georgia: good and bad

   (a) Something good that happened to me

   (b) Something bad that happened to me

or:

   (c) What do I miss most?

   (d) What disturbed me most?

Choose 2 out of 3 subjects.* Relate either to your personal experiences or question someone who came from Georgia (in which case enclose details of the interviewee).

* Most pupils examined all three subjects

PERSONAL DETAILS QUESTIONNAIRE

A Questionnaire to the Pupil

Date ..... Class ..... School .....

I was born in ..... (Name of place in Georgia)

I came to Israel in ..... (Year)

Father is ..... years old.

He grew up in ..... (Place in Georgia)

Father has ..... brothers. Father has ..... sisters.

He studied ..... years.

Mother is ..... years old.

She grew up in ..... (Place in Georgia)

Mother has ..... brothers. Mother has ..... sisters.

She studied ..... years.

Married in 19 ..... (Year)

Father Did Not Work in Georgia
(Encircle if Applicable)
Father Worked in Georgia:

(a) .....

(b) .....

(c) .....

He now works in .....

Mother Did Not Work in Georgia
(Encircle if Applicable)
Mother Worked in Georgia:

(a) .....

(b) .....

(c) .....

She now works in .....

Father Has Not Worked in Israel
(Encircle if Applicable)
His Previous Work in Israel:

(a) .....

(b) .....

(c) .....

Mother Has Not Worked in Israel
(Encircle if Applicable)
Her Previous Work in Israel:

(a) .....

(b) .....

(c) .....

Brothers and Sisters:

Name ..... Age ..... Studies/Works at .....

Name ..... Age ..... Studies/Works at .....

Name ..... Age ..... Studies/Works at .....

Remarks: .....

.....

LITERATURE SURVEY

List the twenty literary pieces you studied at school (Grades 6-10: age 11-15), which you rate as most important and which you like most. Do not consult others: it is important to obtain your opinion. Name the piece and the author.

The literary pieces named by all six repsondents were:

1. Shota Rustaveli: The Knight in the Tiger's Skin.
2. Ilya Chavchavadze: Is He A Man?
3. Alexander Azbegi: Khevis-beri Gocha.
4. Akaki Tsereteli: The Guardian.

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